IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI, PRINCIPAL BENCH

IA-5110/2025
AND
IA-1811/2026
IN
CP (IB)-478 (PB)/2022

(Order under Section 114 read with Section 115(1) Of the Insolvency and Bankruptcy Code 2016)

IN THE MATTER OF:

Omkara Assets Reconstruction Company Limited

.... Petitioner/Financial Creditor

VERSUS

Sh. Summit Aggarwal .... Personal Guarantor

AND IN THE MATTER OF IA (IBC) 5110/2025

Sh. Sripatham Venkatasubramanian Ramkumar
Resolution Professional ... Applicant

VERSUS

Sh. Summit Aggarwal & Ors. .... Respondents

AND IN THE MATTER OF IA (IBC) 1811/2026

Sh. Summit Aggarwal ... Applicant

VERSUS
Sh. Sripatham Venkatasubramanian Ramkumar
Resolution Professional .... Respondent

Order pronounced on 04.11.2026

CORAM:

JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT

SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Personal Guarantor	:	Mr. Aditya Dewan, Advocate along with Ms. Hemangi Kapoor, Advocate
For the Resolution Professional	:	Mr. Pradeep Joy, Advocate along with Mr. Rohan Kumar and Ms. Anha S. Advocates

ORDER

1. An application bearing no. **IA-5110/2025** was filed on 15.10.2025 by **Shri Sripatham Venkatasubramanian Ramkumar** the Resolution Professional **(RP)** of Mr. Summit Aggarwal, the Personal Guarantor **(PG)**, under Section 112 read with Section 113 of the Insolvency and Bankruptcy Code, 2016 **(IBC/Code),** intimating this Adjudicating Authority **(AA)** regarding the decision of the Meeting of Creditors **(MOC)** to reject the Repayment Plan, in the report prepared under Section 112 of the Code, and seeking an order of this AA in terms of Section 114 r/w Section 115(2) of the Code. The prayers made in the application are extracted as below:

> *"1. Take on record the Report of the Meeting of the Creditor(s) on Repayment Plan marked and annexed hereto as Annexure-A9.*
>
> *2. To conclude the Insolvency Resolution Process initiated against Mr Summit Aggarwal, vide order dated 03.09.2025, in C.P. No. 478 of 2022 and discharge Mr Sripatham Venkatasubramanian Ramkumar, Resolution Professional, from his duties as a Resolution Professional appointed vide order dated 27.01.2025 in C.P. No. 478 of 2022;*

3. To grant liberty to the debtor and the creditor(s) to file an application for bankruptcy under Chapter IV, as provided under Section 115(2) of the Code.

4. To direct the Creditors to pay the RP fees and the other expenses incurred by the RP.

5. Pass such further orders 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. The Union Bank of India had filed the present petition bearing C.P. (IB) No. 478/2022, under section 95 of the Code for the initiation of the personal insolvency resolution process (**PIRP**) against the PG to M/s Sunstar Overseas Limited (**Corporate Debtor** or **CD**) for a default amount of Rs. 111.08 crores (Indian Rupees One Hundred Eleven Crores Eight Lakhs only) as on 30.04.2019 along with interest thereon.

3. Subsequently, the Union Bank of India assigned the said loan to M/s. Omkara Assets Reconstruction Private Limited (the present financial creditor), and filed an application bearing no **IA No. 3032/2024** for the substitution of name of the petitioner. The same was allowed by this Adjudicating Authority vide order dated 10.06.2024, the relevant portion of which is extracted below:

"4. In view of the above, prayer made in the application stands allowed. The name of the Original Applicant i.e. Union Bank of India is substituted with that of the Applicant i.e, Omkara Assets Reconstruction Company Limited."

4. As can be seen from the records, having considered the application preferred by the Union Bank of India under Section 95 of IBC, this AA appointed Mr Vinay Kumar Singhal (IP Reg. No. IBBI/IPA-002/IP-

NP00624/2018-2019/11880) as the RP, under the PIRP in respect of Mr Summit Aggarwal, vide order dated 05.12.2023. The relevant excerpt of the order is provided below:

> 4. As proposed by the Applicant, this Bench appoints Mr. Vinay Kumar Singhal as Resolution Professional, whose details are given below:
>
> IBBI Registration No: IBBI/IPA-002/IP-N00624/2018-19/11880
>
> E-mail Address: vinaysinghal.ip@gmail.com
>
> Phone - 9997333663, 011-41420964
>
> 5. The Resolution Professional so appointed shall perform all the functions as stipulated under Section 99 of IBC, 2016 read with Rules made thereunder. He shall also examine the application and make recommendations with reasons

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> in writing for acceptance or rejection of the present application within the time stipulated under Section 99 of IBC, 2016

5. Pursuant thereto, the erstwhile RP filed his report under S. 99 of the Code through **IA-1135/2024**, whereby the erstwhile RP formed an opinion recommending initiation of the PIRP in respect of the PG in terms of Section 100 of the Code. The AA, vide order dated 03.09.2024 admitted the petition, thereby initiating PIRP under Section 100 of the Code (**Admission Order**), and further directed the erstwhile Resolution Professional to proceed in accordance with the Code. The relevant portion of the order dated 03.09.2024 reads as follows:

20. Having regard to the conspectus of the present case (as discussed above) we are inclined to **ADMIT** the present petitions bearing No. (IB)-468(PB)/2022, (IB)-469(PB)/2022, (IB)-477(PB)/2022, (IB)-478(PB)/2022 and (IB)-527(PB)/2022 under the provisions of Section 100(1) of IBC, 2016 for commencing the Insolvency Resolution Process of the Personal Guarantor.

Accordingly, the present petitions bearing No. (IB)-468(PB)/2022, (IB)-469(PB)/2022, (IB)-477(PB)/2022, (IB)-478(PB)/2022 and (IB)-577(PB) stands admitted under Section 100 of IBC, 2016.

6. It is stated that the erstwhile RP made a public announcement on 25.09.2024 in respect of the commencement of PIRP of Personal Guarantor, i.e., Mr Summit Aggarwal, in Financial Express (English) and Jansatta (Hindi) newspapers, inviting claims from Creditors of the Personal Guarantor in this company petition.

7. The erstwhile RP prepared a list of creditors under Section 104 of the Code read with Regulation 9 of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, which is extracted below:

Revised List of Creditors prepared in compliance of Section 104 of Insolvency and Bankrutpcy Code, 2016 read with Regulation 9 of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 in the matter Insolvency Resolution Process of Mr. Summit Aggarwal, Personal Guarantor of Sunstar Overseas Limited (as on 25/11/2024)							
Sr. No.	**Name of Creditor**	**Amount Claimed (in Rs.)**	**Amount Admitted (in Rs.)**	**Nature of claim**	**Security Interest (if any)**	**Voting Percentage**	**Remarks**
1	Canara Bank	1,58,72,22,379.41	1,58,72,22,379.41	Unsecured	N/A	8.80	Subject to further verification (RP had sought certain information/ clarification which are pending)
2	Omkara Asset Reconstruction Private Limited	14,93,84,07,047.00	14,93,84,07,047.00	Unsecured	N/A	82.80	-
3	Punjab National Bank	1,51,69,30,811.90	1,51,69,30,811.90	Unsecured	N/A	8.41	Subject to further verification (RP had sought certain information/ clarification which are pending)
	Total	**18,04,25,60,238.31**	**18,04,25,60,238.31**			**100.00**	

8. On 16.01.2025, an application was preferred by Omkara Assets Reconstruction Pvt. Ltd. bearing no. **I.A. (IBC) 366/2025** seeking a replacement of Shri Vinay Kumar Singhal with Shri Sripatham Venkatasubramanian Ramkumar (IP Registration No. IBBI/IPA-001/IP-P00015/2016-2017/10039), and the same was allowed by this Adjudicating Authority vide order dated 27.01.2025. The relevant portion of the order dated 27.01.2025 is extracted below:

> 3. In view of the submissions made and on the same terms, the application is allowed and Mr. Vinay Kumar Singhal stands replaced with new RP Sh. Sripatham Venkatasubramanian Ramkumar. It is made clear that all other terms of the order dated 03.12.2024 shall apply to this application.
>
> **4. Accordingly, the New IA-366/2025 is allowed and stands disposed of.**

9. It is stated by the present RP/Applicant herein that in the tenure of Mr Vinay Singhal, the erstwhile RP, no repayment plan was received, and further in separate proceedings, the properties of the PG had also been provisionally attached by the Directorate of Enforcement (ED) under the Prevention of Money Laundering Act, 2002.

10. After his appointment, the present RP convened several meetings of the creditors. On 13.08.2025, the RP received the final revised repayment plan from the PG for an amount of Rs. 30 lakhs (Indian Rupees Thirty Lakhs only), which would be paid within a period of 3 months from the date of approval of the repayment plan by the Adjudicating Authority.

11. The repayment plan along with the addendum was submitted by the PG after following the due process as prescribed under the Code. The plan was presented to the creditors for their consideration. The voting process began on 14.08.2025 and was scheduled to end on 25.08.2025, which, upon request of the creditors, was extended till

18.09.2025. Accordingly, the creditors in their commercial wisdom rejected the repayment plan. The relevant portion of the voting percentage is extracted below –

Item No.	Particulars	Decision Taken by the Creditors			
		Approved/Rejected	Approved (% of Voting Share)	Rejected (% of Voting Share)	Not Voted* (% of Voting Share)
3	TO DELIBERATE ON AND CONSIDER THE REVISED REPAYMENT PLAN SUBMITTED BY THE PERSONAL GUARANTOR	Rejected	0	91.6	8.41

(*) The percentage reflects the voting share of the Creditors who have not voted

S.No.	Name of the CoC Member	% of Voting Share	Item No.3
1.	Omkara Assets Reconstruction Private Limited	82.80	X
2.	Canara Bank	8.80	X
3.	Punjab National Bank	8.41	N
	Total	100.00	

✓ Indicates approval
X Indicates rejection
N Indicates not voted

Sd/-
Sripatham Venkatasubramainan Ramkumar
IBBI/IPA-001/IP-P00015/2016-2017/10039
Resolution Professional of Navita Apparel

12. It is pertinent to mention here that, due to non-receipt of any repayment plan within the stipulated time, the earlier Resolution Professional had filed a report under Sections 106 and 112 of the Code intimating the Adjudicating Authority about the non-receipt of the repayment plan.

13. Subsequently, upon replacement of the Resolution Professional and pursuant to the decision of the creditors, efforts were made once again to obtain a repayment plan. In this process, several applications were filed from time to time seeking an extension of time. However, all the earlier pending applications seeking extension of time including the application u/s 112 of the Code filed by the earlier RP were withdrawn, as duly recorded in the order dated 08.10.2025. Thereafter, a consolidated application bearing **IA-5109/2025** seeking condonation of delay of 278 days was filed, which came to be allowed vide order dated 09.12.2025.

14. Further, 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-fourth in value of the creditors present in person or by proxy and voting on the resolution in a meeting of the creditors."*

15. Hence, having carried out the process as per the provisions of Sections 102 to 112 of IBC, 2016, the present RP has filed the instant application under Section 113 of the Code, to present his report prepared as **IA-5110/2025,** seeking the order of this Adjudicating Authority under Section 114 of the IBC to take on record the report prepared under Section 112, and pass the appropriate orders in terms of Section 114 of the IBC.

16. We find it pertinent to mention Section 113 of the Code, 2016, here, which is extracted below: -

> *"**113. Notice of decisions taken at meeting of creditors. —***
>
> *The resolution professional shall provide a copy of the report of the meeting of creditors prepared under section 99 to—*
>
> *(a) The debtor;*
>
> *(b) The creditors, including those who were not present at the meeting; and*
>
> *(c) The Adjudicating Authority."*

17. This application was listed on 19.11.2025. The relevant portion of the order is extracted below: -

> **IA-5109/2025 and IA-5110/2025**
>
> The report under Section 112 of the IBC, 2016 has been filed by the RP and there is some delay in filing the report for which the condonation application has also been filed.
>
> Notice of the Application be issued to the Respondent(s)/non-applicant(s) as per the Section 113 of the Code, 2016, returnable **on 09.12.2025.**
>
> The Applicant/RP undertakes to serve notice upon the remaining Respondent(s)/non-applicant(s) through all modes, viz. registered post, speed post, courier and affidavit of service be filed within one week.
>
> The Reply, if any, may be filed within one week from the receipt of the copy of the order.

> Rejoinder, if any, may be filed before the next date of hearing.
>
> An undertaking has been given by the Ld. Counsel Mr. Sarthak Bhandari appearing on behalf of the RP that he shall file an amended memo of parties to bring the respondent on record, so as to enable them to file objection, if any, to the report filed under Section 112 of the Code, 2016.

18. On 19.11.2025, notice was issued to all Respondent(s)/Non-applicants by email, the proof of service for which has been uploaded on the DMS e-portal on 27.11.2025. Further, another document was filed by the present RP to place on record the amended memo of parties, arraying the PG as Respondent No. 1 and the creditors, namely Omkara Assets Reconstruction Company Limited, Canara Bank and Punjab National Bank, as Respondent Nos. 2 to 4.

19. On 09.12.2025, the following order was passed by this AA:

> **IA-5110/2025**
>
> Ms. Ramneet Kaur, Ld. Counsel appeared on behalf of the Respondent No. 1 and seeks permission to file objection to the report filed by the RP under Section 112 of IBC. She is permitted to do so.
>
> RP is at liberty to file short note on the objection filed by Respondent No. 1. Other Respondents/Non-applicants are also at liberty to file their objection/response, if any.
>
> At request and by consent, list the matter on **19.01.2026.**

20. The application was next listed on 19.01.2026, wherein the following order was passed by this Adjudicating Authority:

> **IA-5110/2025**
>
> Ms. Himangi Kapoor, Ld. Counsel for the Respondent No. 1 appeared through VC. She undertakes to serve a copy of the reply today to the RP or his counsel Mr. Sumant Batra as well as to the Financial Creditor. She is also directed to file the hard copy of the reply within two days.
>
> At request and by consent, list the matter on **09.02.2026. In the meantime, Applicant is directed to file short note on the objections raised by the Personal Guarantor in compliance of our last order dated 09.12.2025.**

21. A reply to the RP's report has been filed by the PG on the DMS e-portal on 05.02.2026. Further, on 09.02.2026, the following order was passed by this Adjudicating Authority:

> **IA-5110/2025**
>
> 1. This is a report under Section 112 of Insolvency & Bankruptcy Code, 2016 filed by the RP reporting the rejection of the repayment plan by the Creditors.
> 2. On 19.11.2025, the following order was passed:
>
> > **IA-5109/2025 and IA-5110/2025**
> >
> > The report under Section 112 of the IBC, 2016 has been filed by the RP and there is some delay in filing the report for which the condonation application has also been filed.
> >
> > Notice of the Application be issued to the Respondent(s)/non-applicant(s) as per the Section 113 of the Code, 2016, returnable **on 09.12.2025.**
> >
> > The Applicant/RP undertakes to serve notice upon the remaining Respondent(s)/non-applicant(s) through all modes, viz. registered post, speed post, courier and affidavit of service be filed within one week.
> >
> > The Reply, if any, may be filed within one week from the receipt of the copy of the order.

Rejoinder, if any, may be filed before the next date of hearing.

An undertaking has been given by the Ld. Counsel Mr. Sarthak Bhandari appearing on behalf of the RP that he shall file an amended memo of parties to bring the respondent on record, so as to enable them to file objection, if any, to the report filed under Section 112 of the Code, 2016.

3. Further, on 19.01.2026, we have recorded as follows:

IA-5110/2025

Ms. Himangi Kapoor, Ld. Counsel for the Respondent No. 1 appeared through VC. She undertakes to serve a copy of the reply today to the RP or his counsel Mr. Sumant Batra as well as to the Financial Creditor. She is also directed to file the hard copy of the reply within two days.

At request and by consent, list the matter on **09.02.2026. In the meantime, Applicant is directed to file short note on the objections raised by the Personal Guarantor in compliance of our last order dated 09.12.2025.**

4. Ld. Counsel for the Respondent submits that the reply has been filed on 06.02.2026. However, it is observed that in compliance of the order dated 19.01.2026, the short note was required to be filed by the RP. Ld. Counsel appearing for the RP submits that he has received the reply only on Saturday and he seeks a week's times to file a short note in compliance of the order dated 19.01.2026. He is permitted to do so.
5. List the matter on **17.03.2026**.

22. A short note has been uploaded by the RP on 13.03.2026 in compliance with the above order. On 17.03.2026, the following order was passed by this AA:

ORDER

IA-5110/2025

Ld. Counsels for the Parties appeared and sought adjournment. Accordingly, matter is adjourned to **07.04.2026**.

23. It is pertinent here to first discuss the contentions raised by the PG against the RP's report. The PG has contended that in every subsequent revision to the repayment plan, the PG has proposed a plan in line with the recommendations of the RP/CoC and that a rejection of the repayment plan by the creditors reflects the absence of commercial wisdom.

24. The PG also submits that the creditors/assignees have already substantially recovered their dues during the corporate insolvency resolution process (**CIRP**) of the CD, through the realisation of assets, and under several One Time Settlement (OTS) to an extent of around

INR 12 crores. The PG further claims that the creditors have realised not less than Rs. 57.55 crores in all, including realisation through sale and auction of properties, and, hence, the present proceedings are nothing but an afterthought and a coercive recovery mechanism.

25. Further, the PG submits that the belated invocation of Section 8(8) of the Prevention of Money Laundering Act (**PMLA**) 2002, after rejecting the Repayment Plan, and that too for selective properties only which are secured assets, depicts a calculated move on the part of the creditors aimed at defeating the insolvency process rather than a bona fide attempt at value maximisation. Additionally, there is sufficient scope for implementing the repayment plan, as the attached properties of the PG have not been confiscated under the PMLA Act, 2002, and the attachment is purely provisional.

26. Lastly, the PG has contended that the concept of commercial wisdom of the Committee of Creditors (**CoC**), which is central to the CIRP framework, has no application to the PIRP framework under Part III, Chapter III of the IBC. The doctrine of commercial wisdom, which emanates from Section 30(4) of the IBC, is strictly confined to CIRP, where the statute expressly accords primacy to the commercial decisions of the CoC. Part III of the IBC, which exclusively governs the PIRP, contains no such analogous provision. The legislature has consciously chosen not to import Section 30(4) or its principles into the PIRP framework. The statutory scheme under Part III places the AA at the centre of the repayment plan approval process.

27. It is further contended that Sections 105, 111, 112, 114 and 115 of the IBC clearly establish that AA must undertake an independent and substantive judicial assessment of the repayment plan. The AA is empowered to direct the RP to seek a revised repayment plan irrespective of the creditors' voting outcome, and the AA can reject the repayment plan even when it has been approved by the creditors,

thereby indicating that creditor voting is not conclusive or binding under the PIRP framework.

28. The RP's response to the above objections raised by the PG is contained in his short note dated 12.03.2026. The relevant portion of the same is extracted below for ready reference:

PROVISIONAL ATTACHMENT BY THE ENFORCEMENT DIRECTORATE

5. The respondent has contended that the rejection of the Repayment Plan was primarily on account of the provisional attachment of certain properties by the Directorate of Enforcement under the provisions of the Prevention of Money Laundering Act, 2002, it is contended that such attachment is temporary in nature.

6. In this regard, it is respectfully submitted that the Applicant/Resolution Professional has acted in accordance with the provisions of the Code and the applicable Regulations. The repayment plan submitted by the Personal Guarantors, along with the subsequent revisions and addendums, was duly placed before the Meeting of Creditors for their consideration. The issue regarding the feasibility, viability, and commercial acceptability of the Repayment Plan, including the implications of the provisional attachment orders issued by the Directorate of Enforcement, falls exclusively within the domain of the creditors. The determination whether the proposed settlement offer is commercially sufficient, or whether the legal risks associated with the attached properties render the plan unviable, falls exclusively within the commercial domain of the lenders, which is not subject to review of the RP in this context. As for the objection that the plan should have been considered as a "composite" or "integrated" package alongside other family members, it is submitted that the method of evaluation, whether individual or cumulative, is the sole prerogative of the creditors. The RP has no authority to compel the creditors to evaluate separate repayment plans conjointly if they choose to assess the feasibility of each guarantor's proposal independently based on their specific recovery strategies. The Applicant has no role in influencing or determining such commercial decisions. It is submitted that the meeting of creditors, after deliberations and consideration of all relevant factors, including the legal uncertainties surrounding the attached properties, exercised their voting rights in accordance with the provisions of the Code and resolved to reject the Repayment Plan.

THE COMMERCIAL DECISION OF CREDITORS IS BINDING

7. The Respondent has further contended that the principle of commercial wisdom of creditors, as recognised in corporate insolvency resolution processes, does not strictly apply in proceedings relating to Personal Guarantors under Part III of the Code, and therefore the rejection of the Repayment Plan by the creditors requires an independent substantive evaluation by this Hon'ble Adjudicating Authority.

8. In this regard, it is respectfully submitted that the Applicant/Resolution Professional has acted strictly within the statutory framework of the Code. The role of the Resolution Professional in the personal guarantor insolvency resolution process is limited to facilitating the process, convening the meeting of creditors, placing the Repayment Plan before them and reporting the outcome of the decision taken by the creditors. It is a settled position that the decision regarding acceptance or rejection of the Repayment Plan lies within the domain of the creditors. The Resolution Professional has no authority to determine the commercial viability or acceptability of the plan. It is respectfully submitted that this Hon'ble Tribunal in the matter of Anil Kohli, RP of Jai Singh Goel in IA No. 3875/2025 in CP (IB) /221/PB/2021 decided on 10.12.2025 has held that the Hon'ble Adjudicating Authority has limited scope to interfere with the commercial wisdom of the creditors. The relevant extract of the judgement is reproduced below:

> *40. In view of the above, the objections raised by the PG are devoid of merit. They are either contrary to the record or unsustainable in law. It is a settled position that this Adjudicating Authority has limited scope to interfere with the commercial wisdom of the creditors, and since no viable repayment plan acceptable to the creditors has been submitted despite ample opportunities, we find no reason to accept the objections raised by the PG, or to delay the process further.*

A copy of the order passed by this Hon'ble NCLT, Principal Bench in in the matter of Anil Kohli, RP of Jai Singh Goel in IA No. 3875/2025 in CP (IB) /221/PB/2021 decided on 10.12.2025 is annexed herewith and marked as **ANNEXURE 1**.

INDEPENDENT ASSESSMENT OF REPAYMENT PLAN BY HON'BLE ADJUDICATING AUTHORITY

9. It is respectfully submitted that this issue is also covered by the order passed by this Hon'ble NCLT, Principal Bench in in the matter of ***Anil Kohli, RP of Jai Singh Goel in IA No. 3875/2025 in CP (IB) /221/PB/2021 decided on 10.12.2025.***

10. In the present case, the Applicant has duly placed the Repayment Plan submitted by the Personal Guarantor before the meeting of creditors and has conducted the process strictly in accordance with the provisions of the Code and the applicable Regulations. The creditors, after

deliberations and consideration of the Repayment Plan and its revisions, exercised their voting rights in accordance with the provisions of the Code. It is submitted that the creditors in the 11th meeting dated 14.08.2025 (***Refer Pg No.367-369, Vol 2 of IA No.5308/2025***), with **91.6% voting share (Refer Pg 265, Vol2 for the Voting results of the 11th meeting in IA No. 5308/2025)**, resolved to reject the Repayment Plan submitted by the Personal Guarantor. The Applicant thereafter prepared and filed the **report under Section 112 of the Code** placing the outcome of the meeting of creditors before this Hon'ble Adjudicating Authority.

11. In view of the above, and in light of the statutory scheme under Sections 112, 114 and 115 of the Code, it is respectfully submitted that the Applicant has complied with all procedural requirements under the Code and has merely reported the outcome of the decision taken by the creditors. Accordingly, the Repayment Plan having been rejected by the creditors in the meeting of creditors, the present Report has been filed before this Hon'ble Adjudicating Authority for appropriate orders in terms of Section 114 of the Code.

29. On 21.04.2026, Ld. Counsels for both sides appeared and submitted their contentions. Accordingly, orders in the matter were reserved. However, another application bearing no. **IA-1811/2026** was filed by the PG/respondent herein on 23.04.2026.

30. In this application, the Personal Guarantor has challenged the rejection of his repayment plan by the creditors on the following grounds:

- That the revised Repayment Plan dated 11.09.2025 was rejected by the creditors on 18.09.2025 without assigning substantive reasons or affording the Personal Guarantor an opportunity to explain the proposal.
- That the provisional attachment of properties under the PMLA had been disclosed in the Repayment Plan, and the plan provides for repayment upon release of the attached properties. He further submits that the plan ought to have been considered alongside the repayment plans of the other Personal Guarantors arising from the same underlying transactions.

- The Personal Guarantor also questions the creditors' reliance on the attachment of the properties as a ground for rejection, particularly in view of their subsequent application under Section 8(8) of the PMLA seeking restitution of the same properties. The PG accordingly seeks setting aside of the rejection and reconsideration of the Repayment Plan.

31. The application was listed on 11.05.2026, wherein the following order was passed:

IA-1811/2026

1. This application has been filed by the Personal Guarantor (PG) seeking the following prayers:

   a. *Accept the Repayment Plan submitted by the Applicant/ Personal Guarantor; OR*

   b. *Set aside the decision dated 18.09.2025 of the Committee of Creditors rejecting the repayment plan submitted by the Applicant under Section 105 of the IBC, and consequently remand the matter to the Committee of Creditors for fresh consideration in accordance with law; AND*

   c. *Issue such other and further directions as this Hon'ble Tribunal may deem just, proper and necessary in the facts and circumstances of the case, in order to protect the statutory objectives of PIRP and ensure equitable treatment of the Debtors and Creditors*

2. Ms. Pooja Mehra Sehgal, Ld. Senior Counsel appeared on behalf of the PG/Applicant and submitted that a revised repayment plan is being placed before the COC for consideration. She seeks 10 days further time to enable the COC to take a decision on the revised repayment plan.
3. Mr. Pradeep Joy, Ld. Counsel appearing on behalf of the RP also supported this contention. Mr. Abhishrut Singh, Ld. Counsel appearing on behalf of the Financial Creditor also confirmed that the applicant is in the process of submitting a revised repayment plan for consideration of the COC.
4. Be that as it may, we are inclined to grant one opportunity to the applicant for consideration of the revised repayment plan by the COC.
5. We may also note that **IA-5110/2025**, was **heard and orders were reserved on 21.04.2026**. However, since we are grating time to enable the COC for reconsider the revised repayment plan, orders in IA-5110/2025, stands **de-reserved**.
6. The Registry is directed to list both the IAs i.e. IA-5110/2025 and IA-1811/2026 on **25.05.2026**.
7. It is made clear that no further opportunity will be given to the Applicant on the next date of hearing and appropriate orders will be passed.

Hence, orders were de-reserved in the matter in view of the last opportunity afforded to the PGs to revise their repayment plans. Insofar as Mr. Summit Aggarwal is concerned, the revised repayment plan provides for a settlement amount of Rs. 30 Lakhs. These revised proposals are relevant while considering the subsequent submissions made by the parties. The matter was next listed on 25.05.2026, wherein adjournment was sought by the Ld. Counsel for the PG.

32. The matter was then listed on 02.06.2026 wherein the following order was passed:

> **IA-5110/2025, IA-1811/2026**
>
> Heard Ms. Pooja M. Saigal, Ld. Sr. Counsel appearing for the Applicant. At request, list on **20.07.2026.**

33. Again on 20.07.2026, Ld. Counsel for the PG sought an adjournment as the arguing counsel was not available. The same was granted subject to the payment of costs of Rs. 25,000/- to the Prime Minister National Relief Fund. A copy of the order is extracted hereinafter:

> **IA-5110/2025 and IA-1811/2026**
>
> **1.** Ld. Counsel Ms. Himangi Kapoor for the Respondent/Personal Guarantor prays for an adjournment on the ground that the arguing counsel is not available due to personal difficulties.
>
> **2.** In the interest of justice, time is granted, subject to the payment of cost of Rs. 25,000/- to the Prime Minister National Relief Fund. The proof of the same be filed within 7 days.
>
> **3.** List **on 12.08.2026.**

34. On 12.08.2026, the following order was passed by this Adjudicating Authority:

> **IA-5110/2025 and IA-1811/2026**
>
> 1. Parties are at liberty to file a short note before the next date of hearing.
>
> 2. List **on 24.08.2026**.

Accordingly, a short note was uploaded by the financial creditor on 23.08.2026 on the DMS e-portal and a short note was uploaded by the PG on the DMS e-portal on 03.09.2026. Even though no proof of payment of cost has been filed by the PG in compliance with the previous orders of this Adjudicating Authority, nonetheless, the short notes filed by the parties have been taken into consideration by this Adjudicating Authority.

35. On 23.09.2026 the following order was passed by this Adjudicating Authority:

IA-5110/2025; IA-1811/2026

1. Ld. Counsel Mr. Aditya Dewan for the personal guarantors prays for time to file a short note. He may do so within a week.

2. List the matter on **13.10.2026**.

Another short note has been filed by the PG on 16.10.2026, and the same has been duly considered while preparing this order.

36. In his short note, the Financial Creditor/Petitioner has submitted that the repayment plan, along with its revisions, was placed before the creditors for their consideration and was rejected following due deliberations and the exercise of voting rights by the creditors. It is contended that the creditors were entitled to evaluate the proposed repayment amount, the assets offered towards repayment, the feasibility and certainty of their realisation, and the other legal and commercial risks before deciding whether to approve the plan or not.

37. The Financial Creditor has further submitted that the proposed upfront payment of Rs. 6.98 crores was to be contributed collectively by the Personal Guarantors, while the balance recovery depended upon the sale or realisation of assets subject to provisional attachment by the Directorate of Enforcement. According to the

Financial Creditor, the uncertainty concerning the availability and recovery of the attached properties constituted a relevant commercial consideration, and the Adjudicating Authority cannot substitute its own assessment for that of the creditors.

38. The Personal Guarantor, in his short note filed on 03.09.2026, has submitted that the creditors have already recovered their dues during the CIRP of CD, through realisation of assets and under the various One-Time Settlements (**OTS**) of around INR 12 crores. It is further submitted that if the repayment plans submitted by the Personal Guarantors are considered collectively the proposed repayment aggregates to an amount of Rs. 87.77 crores, with an upfront payment of Rs. 6.98 crores, which includes the Applicant's proposed contribution of Rs. 30 lakhs.

    The Personal Guarantor has also referred to recoveries of approximately Rs. 44.83 crores already effected by the creditors through auctions and other sales. On this basis, it is submitted that the aggregate of the OTS payments, recoveries already effected and the value offered under the repayment plans amounts to approximately Rs. 145.32 crores, which, according to the Personal Guarantor, substantially exceeds the default alleged in the proceedings. It is accordingly contended that the repayment plan ought not to have been rejected without considering the cumulative recovery available to the creditors.

39. In the subsequent short note, the Personal Guarantor has reiterated that rejection of the repayment plans would deprive the creditors of the proposed upfront payments aggregating approximately to Rs. 6.98 crores, payable within three months of approval, and of the additional assets offered under the plans. It is contended that the bankruptcy proceedings would not yield results comparable to those envisaged under the repayment plans.

40. It is submitted that the property at 10D-1, Under Hill Road, Civil Lines, and the basement shares in 6-B, Yamuna Road, Civil Lines, are not charged to the creditors and that the repayment plans provide a means of making such assets available for their benefit, subject to the applicable legal proceedings. The Personal Guarantor has further relied upon the creditors' application under Section 8(8) of the PMLA seeking restitution of attached properties and contended that the creditors' reliance upon the attachments as a ground for rejection is inconsistent with their own pursuit of restitution. It is also contended that the proposed upfront contributions, stated to be arranged through personal resources and loans from family and friends, constitute an additional source of recovery which would not automatically be available in bankruptcy proceedings. On these grounds, the Personal Guarantor has challenged the rejection as arbitrary and submitted that the jurisdiction of the Adjudicating Authority under Part III of the Code permits scrutiny of the creditors' decision.

41. Accordingly, after having considered the submissions made by the parties during the hearing, and analysing the documents on record, orders in both IA-5110/2025 and IA-1811/2026 were reserved on 13.10.2026. We, therefore, record our analysis as follows:

ANALYSIS:

42. We have considered the report of the Resolution Professional prepared under Section 112 of the Code, the repayment plan submitted by the Personal Guarantor and the revisions/addendums placed before the creditors, the decision taken in the meeting of the creditors, the reply filed by the PG, the Resolution Professional's short note dated 13.03.2026, the objections raised by the Personal Guarantor in IA-1811/2026, and the subsequent short notes filed on behalf of the

Personal Guarantor and the Financial Creditor, along with the pleadings and orders forming part of the record. Upon consideration of these materials, we first deal with IA-1811/2026, wherein the Personal Guarantor has challenged the rejection of the repayment plan. Secondly, we consider IA-5110/2025 filed by the Resolution Professional seeking orders under Section 114 of the Code.

(A) IA-1811/2026- Challenge to the rejection of the repayment plan

43. In IA-1811/2026, the PG has challenged the rejection of the repayment plan, principally contending the following:

- The revised plan dated 11.09.2025, along with the addendum was rejected without adequate reasons or a further opportunity to explain it;

- That the properties under provisional attachment by the Directorate of Enforcement were disclosed and could be realised upon release; that the plan ought to have been considered collectively with the plans of other Personal Guarantors; and

- That the creditors' application under Section 8(8) of the PMLA, 2002, seeking restitution of properties, was inconsistent with their reliance on the attachment as a ground for rejecting the plan.

44. The contentions raised in this application are nothing but a reiteration of the PG's reply to the report u/s 112 of the Code. Nonetheless, the same are being considered here by this Adjudicating Authority while deciding this application.

45. The material indicates that the repayment plan and its revisions were placed before the creditors for consideration. It must be noted here that the PG's own plan offered only an upfront payment of Rs. 30 lakhs, to be arranged through borrowings from family and friends, against the whole quantum of the admitted claims of the creditors; and, insofar as the PG sought that his plan be evaluated together with the plans of the other Personal Guarantors, a substantial part of the proposed realisation under that composite framework was dependent upon assets that were subject to provisional attachment and upon the outcome of related legal proceedings. The legal status of those assets and the uncertainty as to their availability and realisation were therefore relevant considerations for the creditors while assessing the feasibility and certainty of the proposed repayment.

46. The PG's reliance on amounts stated to have been recovered through One-Time Settlements, auctions and other sales, as well as on the aggregate amounts proposed under plans of other Personal Guarantors, does not by itself establish that the plan submitted by this PG was required to be accepted.

47. Likewise, the creditors' application under Section 8(8) of the PMLA, 2002, for restitution of properties does not, by itself, remove the legal and practical uncertainty surrounding the availability or timing of realisation of those properties for the purposes of the repayment plan. The creditors were entitled to assess those risks while considering the proposal.

48. In view of the foregoing, no sufficient basis has been shown by the PG in his application to set aside the creditors' decision or to direct reconsideration of the repayment plan. Accordingly, **IA-1811/2026**, which challenges the rejection of the repayment plan, is **dismissed**.

(B) IA-5110/2025 – report of the RP under Section 112

49. We now consider IA-5110/2025, filed by the Resolution Professional under Section 113 of the Code, placing on record the report prepared under Section 112 and seeking appropriate orders under Section 114. Apart from the objections concerning the rejection of the repayment plan which have been dealt with hereinabove, the objections raised by the Personal Guarantor ("PG") in response to the RP's report are summarised as follows:

- It was argued that the doctrine of commercial wisdom under Section 30(4) of the Code could not be mechanically applied to personal guarantor insolvency proceedings, and that the Adjudicating Authority could independently examine and direct reconsideration of the repayment plan.

- It was submitted that creditors had already recovered substantial amounts under the One-Time Settlements, in addition to the recovery in the CIRP of the Corporate Debtor and that the present proceedings were being pursued as a coercive recovery mechanism.

- The repayment plan was repeatedly revised in accordance with the RP's and creditors' suggestions, yet rejected without adequate consideration.

50. It is observed that the objections raised by the Personal Guarantor against the report of the RP u/s 112 of the Code are vague, lack merit and are without substance. The Resolution Professional (**RP**), in his response, has filed a short note dated 12th March 2026, as extracted above, replying to the objections raised by the PG, and the same is found to be acceptable. The record shows that the RP placed the repayment plan and its subsequent revisions/addendums before the

creditors and reported the decision taken by them. The RP's role in this process was to facilitate the statutory process, convene the meeting, place the proposal before the creditors and report the outcome; the assessment of the commercial sufficiency and feasibility of the proposal was for the creditors to undertake.

51. The principal question that arises now is whether, in the facts and circumstances recorded in the report, the rejection of the repayment plan by the creditors warrants acceptance by this Adjudicating Authority.

52. It is noticed from perusal of Section 114(1) of the IBC, 2016 that the Adjudicating Authority shall approve or reject the Repayment Plan on the basis of the report of meeting of the Creditors submitted by the Resolution Professional under Section 112 of the IBC, 2016, r/w Regulation 19 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) 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."

53. 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."

54. The PG's submission that the Adjudicating Authority must independently examine the feasibility and fairness of the repayment plan, and that the concept of commercial wisdom has no application to proceedings under Part III of the Code, does not justify setting aside the creditors' decision in the present case.

55. It is noted that Section 114(1) expressly requires this Adjudicating Authority to approve or reject the repayment plan on the basis of the report of the meeting of creditors submitted under Section 112. Section 114(3) empowers this Adjudicating Authority to direct reconsideration where it is of the opinion that the plan requires modification. However, that provision does not require a further round of consideration in every case where a plan has been rejected. It is a settled position of law that this Adjudicating Authority has limited scope to interfere with the commercial wisdom of the creditors, and since no viable repayment plan has been submitted that was acceptable to the creditors, we find no reason to delay the process any further. The scheme under Part III of the Code does not support the PG's contention that the Adjudicating Authority may approve a repayment plan which has failed to secure the approval of the creditors.

56. Under Section 111 of the Code, a repayment plan or any modification thereto is approved only when it is approved by a majority of more than three-fourths in value of the creditors present and voting, and under Section 115(1), an approved repayment plan takes effect.

57. The Code thus contemplates that it is the creditors who accept or decline the repayment plan, while the role of the Adjudicating Authority under Section 114 is to examine the report of the meeting of creditors and, where it is of the opinion that the plan requires modification, to direct the reconvening of the meeting under Section 114(3).

58. The reliance placed by the PG on Section 114 is misplaced, as Section 114 merely enables directions for implementing a plan approved by the creditors.

59. In the present case, the PG has neither pointed out any procedural irregularity in the convening of the meetings or the conduct of voting, nor identified any specific modification which would warrant a direction under Section 114(3). A coordinate bench of this Tribunal, in Bank of India v. Jai Singh Goel, IA-3875/2025 in CP (IB)-221(PB)/2021, decided on 10.12.2025, has similarly held that the Adjudicating Authority has limited scope to interfere with the decision of the creditors on a repayment plan.

60. The creditors' decision must be considered in the context of the repayment proposal actually placed before it. The fact that the plan was revised following discussions or suggestions does not, by itself, oblige the creditors to approve it.

61. In the present case, the repayment plan and its revisions were placed before the creditors and were rejected. A substantial part of the proposed recovery was dependent upon assets subject to provisional attachment and upon the outcome of related legal proceedings. The legal status of those assets and the uncertainty as to their availability and realisation were relevant considerations for the creditors in assessing the feasibility and certainty of the proposed repayment. The fact that the properties had not been confiscated, or that proceedings had been initiated seeking their restitution, does not by itself remove the uncertainty surrounding their availability or the timing of their realisation.

62. Further, with regard to the objection raised by the PG, that the creditors have already substantially recovered their dues during the CIRP of the CD, under the one-time settlements or from the realisation of securities which are in any case a small fraction of the admitted claims, do not, by themselves establish that the repayment plan proposed by the PG was required to be accepted. The liability of a

personal guarantor is not automatically extinguished merely because the Corporate Debtor has undergone insolvency proceedings or its liabilities have been dealt with under an approved resolution plan. The Supreme Court in *Lalit Kumar Jain v. Union of India, 2021 9 SCC 321*, has affirmed that approval of a resolution plan for the Corporate Debtor does not, by itself, discharge the personal guarantor from liability under the guarantee.

63. We also note that the PG was afforded repeated opportunities to submit and revise the repayment plan, and the process included consideration of revised proposals and extensions of the voting period. Even after orders were reserved on 21.04.2026, this Adjudicating Authority, vide order dated 11.05.2026, de-reserved the matter and granted one more opportunity for consideration of a revised repayment plan by the creditors, while making it clear that no further opportunity would be given. Despite these opportunities, no repayment plan was ultimately submitted that secured the approval of the creditors or was acceptable to them. The PG's request for yet another opportunity, in the absence of a plan acceptable to the creditors, would prolong the process without any demonstrated basis to conclude that further time would result in an approvable proposal. The statutory process cannot be kept open indefinitely through successive revisions when the proposals placed before the creditors have failed to secure the requisite approval.

64. The subsequent short notes filed on behalf of the Personal Guarantor and the Financial Creditor have also been considered. The submissions made therein thus raise a dispute regarding the adequacy and certainty of the proposed recovery mechanism and the significance to be attached to the legal status of the properties forming a part of the repayment proposals. Having considered these submissions alongside the report of the RP and the RP's short note dated 13.03.2026, we find no sufficient ground, for the reasons

recorded above, to depart from the conclusion that the repayment plan was rejected by the creditors after due consideration and that the report under Section 112 of the Code warrants acceptance.

ORDER

65. Accordingly, this AA, in view of the repayment plan submitted by the Personal Guarantor, having been rejected by the creditors, takes the report of the Resolution Professional under Section 112 on record and rejects the repayment plan submitted by the Personal Guarantor Mr. Summit Aggarwal under Section 114(1) of the IBC, 2016. The creditors and the debtor are **entitled to file an application for Bankruptcy** as per Section 115(2) of IBC, 2016, read with Section 121 of IBC, 2016 under Chapter IV.

66. The moratorium that commenced pursuant to Section 101 of IBC, 2016, ceases to have effect at the end of 180 days from the date of the admission order under Section 100 of the Code or from the date of this order, whichever is earlier.

67. The RP stands discharged, and he is entitled to claim RP costs from the stakeholders.

68. The application bearing no. **I.A. No. 5110 of 2025,** is allowed and disposed of, and the application bearing no. **IA 1811/2026** is dismissed. The debtor/creditors is/are entitled to proceed thereafter under Sections 122/123 under the provisions of the Code.

69. Further, the PG/respondent is directed to pay the costs as directed in the order dated 20.07.2026 and file the proof of payment, failing which appropriate action will be taken in accordance with law.

70. The registry is directed to send a copy of this order passed by the AA to the Insolvency and Bankruptcy Board of India, for the purpose of recording an entry in the register referred to in section 196 of IBC, 2016. This file will be consigned to record storage (current).

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)