

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

**CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER**

**MS. KAVITA BHATNAGAR,
HON'BLE TECHNICAL MEMBER**

IA (IBC) No. 567/JPR/2025
In RCP(IB) No. 4/95/JPR/2025

*(Application under Section 98 of the Insolvency & Bankruptcy Code, 2016 r/w
Rule 11 of the National Company Law Tribunal Rules, 2016)*

IN THE MATTER OF:

UNION BANK OF INDIA

...Financial Creditor

VERSUS

ISLAMUDDIN KAGZI

...Respondent / Personal Guarantor

MEMO OF PARTIES

IA (IBC) No. 567/JPR/2025

**Mr. Islamuddin Kagzi,
79, Kagzi Mohalla, Sanganer,
Jaipur, Rajasthan – 302029**

...Applicant / Personal Guarantor

VERSUS

**Union Bank of India (Erstwhile Andhra Bank)
Asset recovery management Branch,
CB-CH/38, Near Dwarika Das Garden, B2 Bypass,
Mansarovar, Jaipur, Rajasthan - 302020**

Sdr

IA (IBC) No. 567/JPR/2025

In

Sdr

RCP No. (IB)- 4/95/JPR/2025

Mr. Rishabh Chand Lodha, RP
E-5, Shraman Basant Vihar, Gandhi Nagar,
Bhilwara, Rajasthan-311001

...Respondent / Non-Applicants

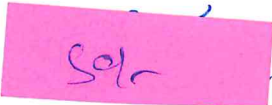
For the Applicant : Karan Pratap Singh, Adv.
Nishant Saraf, Adv.

Order Pronounced on: 19.06.2026

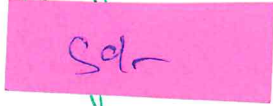
ORDER

Per: Ms. Kavita Bhatnagar, Member (T)

1. The present Interlocutory Application bearing IA (IBC) No. 567/JPR/2025 has been filed by *Mr. Islamuddin Kagzi* (i.e., Personal Guarantor to *M/s Sanga Builders Private Limited*) under Section 98 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) read with Rule 11 of the National Company Law Tribunal Rules, 2016 seeking replacement / substitution of Non-Applicant No.2 (i.e., *Mr. Rishabh Chand Lodha*) as the Resolution Professional appointed in the proceedings under Section 95 of the Code.
2. It is stated in the application that the petition under Section 95 of the Code was filed by the Financial Creditor on 01.01.2024 and the Resolution Professional was appointed on 04.01.2024.
3. It is further stated that the RP thereafter submitted a report under Section 99 of the Code recommending admission of the application. The Applicant has


IA (IBC) No. 567/JPR/2025

In


RCP No. (IB)- 4/95/JPR/2025

contended that under the scheme of Sections 97 and 98 of the Code, this Adjudicating Authority possesses the power to replace / substitute the RP and that such power can be exercised at the instance of the Personal Guarantor as well. It has further been pleaded that the Resolution Professional, in proceedings concerning Personal Guarantors, performs a consultative and facilitative role and therefore substitution of the RP ought to be permitted.

Analysis & Findings

4. We have heard the learned Counsel for the Applicant and perused the material available on record. The main issue which arises for consideration is whether the Resolution Professional appointed in proceedings under Section 95 of the Code can be replaced after admission under Section 100 and, if so, whether any grounds exist in the present case warranting such replacement.
5. A conjoint reading of Sections 97, 98, 99 and 100 of the Code indicates that the role of the Resolution Professional does not conclude merely upon submission of the report under Section 99. The Resolution Professional continues to discharge statutory functions even subsequent to admission under Section 100. The scheme of the Code therefore does not indicate that



the jurisdiction of the Adjudicating Authority to consider replacement of the RP stands exhausted upon admission of the application.

6. Nothing in Section 98 of the Code restricts invocation of such jurisdiction only at the instance of the creditor. A Personal Guarantor, being directly affected by the insolvency resolution process, cannot be held disentitled from invoking the jurisdiction of this Adjudicating Authority where legally sustainable grounds are shown.
7. However, the power of replacement of the Resolution Professional is not intended to be exercised as a matter of routine, convenience or subjective preference. More so, where the application is moved after submission of the report under Section 99 and admission under Section 100, the Adjudicating Authority is required to exercise considerable circumspection, since the Resolution Professional would have already discharged statutory functions culminating in admission of the insolvency resolution process.
8. Replacement of the Resolution Professional can therefore be directed only when there exists cogent material demonstrating circumstances such as bias, conflict of interest, misconduct, incapacity, procedural impropriety or failure to discharge statutory obligations in a fair and impartial manner. Mere dissatisfaction with the outcome of the proceedings or with the recommendation made by the Resolution Professional cannot constitute sufficient ground for substitution.

9. In this case, except asserting that the Applicant seeks substitution of the Resolution Professional and that such substitution is permissible under Section 98 of the Code, no substantive or objective material has been placed on record to demonstrate any bias, misconduct, conflict of interest, procedural irregularity or failure in discharge of statutory duties by the Resolution Professional. The application is conspicuously silent on any specific act or omission affecting the fairness or integrity of the insolvency process.
10. In fact, the pleadings proceed substantially on the basis that the opinion of the Personal Guarantor is sufficient for replacement of the RP. This cannot be accepted. The statutory scheme of the Code does not contemplate replacement of the Resolution Professional merely on the basis of subjective dissatisfaction of a party.
11. This Adjudicating Authority is therefore of the considered view that although an application under Section 98 of the Code may be maintainable even after admission under Section 95 and even at the instance of the Personal Guarantor, the present application fails to disclose any legally sustainable ground warranting exercise of such jurisdiction.
12. Accordingly, **IA (IBC) No. 567/2025 is dismissed**. It is clarified that the present order is confined solely to adjudication of the prayer for replacement / substitution of the Resolution Professional under Section 98 of the Code

Solr

IA (IBC) No. 567/JPR/2025


In

Solr

RCP No. (IB)- 4/95/JPR/2025

and no opinion is being expressed on the merits of the underlying insolvency proceedings or any issue arising therein.


**REETA KOHLI,
JUDICIAL MEMBER**


**KAVITA BHATNAGAR
TECHNICAL MEMBER**

NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH
(through web-based video conferencing platform)

Item No. 115
IA No. 280/JPR/2026
RCP No. (IB)-4/95/JPR/2025
Under Section 95 of IBC, 2016

In the matter of:

Union Bank of India (Erstwhile Andhra Bank) ...Applicant

Versus

Islamuddin Kagzi (PG to CD-Sanga Builders Pvt. Ltd. ...Respondent

Coram: HON'BLE MS. REETA KOHLI, JUDICIAL MEMBER
HON'BLE MS. KAVITA BHATNAGAR, TECHNICAL MEMBER

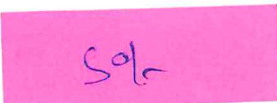
PRESENT: -

For the RP : Abhishek Devgan, Adv.
Rishabh Chand Lodha, in person
For the Respondent : Karan Pratap Singh, Adv.
Nishant Saraf, Adv.
Rishika Pareek, Adv.

ORDER

IA No. 280/JPR/2026 :-

The present application has been filed for taking on record the report of RP under Section 106 of the IBC. Ld. Counsel for the RP states that no repayment plan has been proposed by the Personal Guarantors. The report is taken on record. IA disposed off.


(Kavita Bhatnagar)
Technical Member


(Reeta Kohli)
Judicial Member

June 19, 2026