NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1
MUMBAI BENCH

Item No. 22
IA(I.B.C)/1341(MB)2026 IN C.P. (IB)/550(MB)2025

CORAM:
SH. PRABHAT KUMAR — **HON'BLE MEMBER (TECHNICAL)**
SH. SUSHIL MAHADEORAO KOCHEY — **HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF THE HEARING ON **01.07.2026**

NAME OF THE PARTIES: **IA(I.B.C)/1341(MB)2026 - Mr. Shailesh Desai VS Mrs. Ramila Kirti Sheth IN THE MATTER OF RAMILA KIRTI SHETH**

Section 94(1) & 60(5) of the Insolvency and Bankruptcy Code, 2016

ORDER

IA(I.B.C)/1341(MB)2026 IN C.P. (IB)/550(MB)2025

1. Adv. Somya for the Respondent present. Adv. Bhupendra Dave on behalf of the Resolution Professional present.
2. The present Interlocutory Application has been filed by the Resolution Professional appointed in the case of Personal Guarantor herein, namely **Mr. Shailesh Desai ("RP")**, seeking appropriate orders from this Adjudicating Authority against the Personal Guarantor.
3. The Applicant is the Resolution Professional appointed by this Tribunal vide an order 02.06.2025 passed in the Company Petition (IB) no. 550 of 2025 filed by **Mrs. Ramila Kirti Sheth** ("PG") under section 94 of the Code against herself, who is a Personal Guarantor to the Ramila Diam Private Limited.

4. The Insolvency Resolution Process against the Personal Guarantor/Respondent commenced vide order dated 09.09.2025, passed by this Tribunal u/s 100 of IBC after due consideration of the material on record and Report u/s 99 of the Code submitted by the RP. It is submitted that Applicant vide e-mail dated 10.09.2025 informed the PG about the order of the Tribunal for commencement of Insolvency Resolution Process and also informed about the imposition of Moratorium u/s 101 of the Code.
5. Applicant further submits that, as per Section 102 of the Code, he published a Public Notice on 12.09.2025 for inviting claims from all creditors of the PG. The said Notice was published in ***'Free Press Journal'*** (English) and ***'Navshakti' (Marathi -vernacular language)*** in the prescribed Form B. The last date for submission of proof of claims was fixed as 03.10.2025.
6. The Applicant further submits that he requested the PG to furnish the required information for the preparation of Statement of Affairs by 26.09.2025. Further, on the same day, he, vide two other emails, requested PG to commence the preparation of the Repayment Plan intimating the publication of the Public Notice and requesting for the list of creditors along with their respective operational e-mail address.
7. The Applicant Resolution Professional, vide email dated 12.09.2025 and 10.10.2025, the Applicant/Resolution Professional informed the Financial Creditors (State Bank of India, SAMB-II) and State Bank of India (SARB), respectively, regarding the commencement of personal insolvency of Mrs.

Ramila Kirti Sheth and publication of the Public Notice and advised submission of its claim within the stipulated timeframe. Pursuant to claims received from the Creditors of the Corporate Debtor and PG, the Applicant, in compliance with Section 104 of the Code, prepared the list of Creditors of the PG.

8. In the 1st (first) Meeting of Creditors held on 26.11.2025, the Applicant apprised the Creditors that, despite repeated communications, including e-mails dated 12.09.2025 and subsequent reminders, the Personal Guarantor failed to furnish any information for preparation of the Statement of Affairs and also in submitting any Repayment Plan. The Applicant apprised the Creditors that Mr. Shreyans Sheth, (son of Personal Guarantor), visited the RP office on 10.10.2025, as the authorised representative of the Personal Guarantor, and he was again apprised of the insolvency proceedings and statutory requirements, despite which no steps were taken by the Personal Guarantor to comply. In the absence of any Repayment Plan from the PG, no plan could be placed before the creditors during the 1st meeting. The statutory period of 120 days from the Insolvency Commencement Date expired on 07. 01.2026.

9. He further submits that a Repayment Plan was shared by the Personal Guarantor at the ***eleventh hour***, in an unsigned form, and hence could not be duly examined by the Resolution Professional. Upon due deliberation, the Creditors, at their 2nd (Second) Meeting convened on 02.02.2026,

categorically found the unsigned repayment plan to be untenable and unacceptable, considering the fact that the said plan proposed a meagre amount of Rs. 75 lakhs, which is grossly disproportionate to the value of the secured assets. The Creditors further requested the PG to share the revised Repayment Plan by 20.02.2026.

10. The 3rd (Third) Meeting of Creditors convened on 23.02.2026, held on 23.02.2026, recorded that, despite repeated opportunities, the Personal Guarantor failed to submit a compliant Repayment Plan and was granted a final opportunity to do so. It was further noted that, in the absence of requisite information from the PG, the Resolution Professional was unable to prepare the Statement of Affairs.

11. Consequently, at the 4th (Fourth) Meeting of Creditors convened on 13.03.2026, it was observed that no signed or formal viable Repayment Plan has been submitted by the Personal Guarantor till date. The PIRP period has already expired on 07.01.2026 in terms of Regulation 19 of the applicable Regulations. In these circumstances, and in light of continued non-cooperation of the PG, who failed to participate even after rescheduling of the meeting at her request, the creditors were constrained to consider appropriate steps. Therefore, Creditors upon deliberation, unanimously resolved to file an application for closure of the process before this Tribunal.

12. It is stated the Applicant has fulfilled all the duties and obligations 2026 stipulated on him under the Code and as the Personnel Guarantor failed to submit the compliant Repayment Plan even after providing multiple opportunities, the present application is being made to this Tribunal for seeking appropriate orders for closure of the IRP of the Personal Guarantor by allowing a creditor individually or jointly with other creditors or a debtor to initiate Bankruptcy proceedings in terms of the Code.
13. We heard the learned Counsel and perused the material on record.
14. During the pendency of this matter, the learned counsel Personal Guarantor sought a liberty to file a revised Repayment Plan for creditors consideration and same was allowed by this Tribunal. Learned counsel for Resolution Professional today informs that the revised Repayment Plan submitted by Personal Guarantor, pursuant to the liberty granted by this Tribunal, has also been rejected by the sole creditor, i.e. State Bank of India. It was also clarified by the Resolution Professional that the other Financial Creditor has not relinquished its security interest.
15. Section 112 of the Code mandates the Resolution Professional to prepare a report of meeting of Creditors for repayment plan. The applicant has duly held the meeting and placed the Repayment Plan before creditors, which has since been rejected.
16. Section 114 of the Code mandates the adjudicating authority to pass an order either approving or rejecting the repayment plan on the basis of report

of the meeting of creditors submitted by the Resolution Professional under section 112 of the code. Since no repayment plan has been approved by the Creditors in the present case, we are of considered view that the present facts warrants passing of an order, which this Tribunal can pass u/s 114 on Rejection of the Plan.

17. Section 115(2) provides that ***"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"***. Accordingly, we hold that the non-voting on the repayment plan by the Creditors would tantamount to Rejection of Plan in terms of section 114 of the code and the consequences as provided in section 115(2) shall follow.

18. Since Repayment Plan has been rejected by the Sole Creditor itself, the Insolvency Resolution Process is required to be terminated. Therefore, the Interlocutory Application seeking passing of order declaring that Creditor as well as Debtor are entitled to proceed with Bankruptcy is hereby Allowed.

19. Accordingly, we pass the following Order:

    i. The Interlocutory Application bearing IA (I.B.C.) 1341 of 2026 is disposed of as Allowed. The Insolvency Resolution Process in case of Personal Guarantor stands terminated and the moratorium in terms of Section 101 of the Insolvency and Bankruptcy Code, 2016, shall cease to be in force, henceforth.

ii. The Resolution Professional is discharged, subject to compliance with applicable rules and filing of final disclosures, if any. Resultantly, the main Company Petition bearing CP (IB) No. 550 of 2025, is disposed of and stands closed.

iii. Needless to say, the Creditors herein shall pay fees and costs of the Insolvency Resolution Process including the Professional fees of the Resolution Professional and incidental expenses, if any.

iv. Debtor/Creditor herein may take out separate Company Petition to initiate Bankruptcy Proceedings against the Guarantor and appointment of Bankruptcy Trustee.

20. There will, however, be no order as to costs. Ordered Accordingly.

Sd/-
PRABHAT KUMAR
MEMBER (TECHNICAL)

Sd/-
SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Mohd Sarwar