NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 13

IA(I.B.C)/3420(MB)2026 IN C.P. (IB)/230(MB)2024

CORAM:

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

ORDER SHEET OF THE HEARING ON **10.08.2026**

NAME OF THE PARTIES: **OMKARA ASSETS RECONSTRUCTION PRIVATE LIMITED VS RASILA M SHAH.**

Section 95(1) Application under any other provisions of the Insolvency and Bankruptcy Code, 2016

ORDER

1. Adv. Atishay Jain a/w Adv. Tanushree Sogani i/b Adv. Kunal Kanungo for the Applicant present.

2. The present Interlocutory Application has been filed **under Section 112 read with Section 114 of the Insolvency and Bankruptcy Code, 2016** by the Applicant/Resolution Professional, appointed in the case of Personal Guarantor herein, for seeking appropriate order under Section 112 read with Section 114 of the Code, recording the **non-approval / rejection of the repayment plan** submitted by the Personal Guarantor and to place on record the Report prepared by him u/s 112 of the Insolvency and Bankruptcy Code, 2016.

3. The Insolvency Resolution Process against the Personal Guarantor of the Corporate Debtor was initiated by this Tribunal *vide* order dt. 03.02.2026

passed by this Tribunal under Section 100 of IBC. It is submitted that, on receipt of the copy of the order from this Tribunal, the Applicant herein issued Public Announcement in ‘Free Press Journal (English, Mumbai Edition) and Navshakti (Marathi)', dated 08.02.2026 and the last date to submit the claims was 01.03.2026.

4. The Applicant submits that, the RP received claims from six secured financial creditors up to 01.03.2026 and two further claims thereafter, which could not be admitted at that stage in view of the statutory timeline. The initial list of creditors, based on claims received up to 01.03.2026, was prepared on 06.03.2026 and filed before this Tribunal under Section 104 of the Code read with Regulation 9 of the IBBI (Insolvency Resolution Process for Personal Guarantor to Corporate Debtor) Regulations, 2016 (“PG Regulations”).

5. It is further submitted that, under her initial proposal dated 21.03.2026, the Personal Guarantor offered a lump sum settlement amount of INR 5,00,00,000/- (Rupees Five Crores only) in respect of the above two assets, towards full and final closure of all dues and litigations in the present personal guarantor insolvency process, to be paid within 180 days of approval by the creditors, with funds proposed to be arranged from relatives and friends and deposited with the Resolution Professional for distribution. In accordance with Section 105 and Regulation 17, the RP submitted his report on the repayment proposal to this Tribunal under

Section 106 of the Code by way of an Interlocutory Application No. 1318 of 2026, which was taken on record vide order dated 06.04.2026.

6. It is further submitted that, in continuation of issues raised in the first meeting, the Applicant suggested that the personal guarantors file a notarised affidavit disclosing their complete financial position, ownership and co-ownership of charged properties, including Flats 18/A and 18/B at Lands End CHSL. The personal guarantors agreed, and a notarised affidavit dated 29.05.2026 was thereafter submitted and circulated to creditors.

7. During the 4 meeting, the Personal Guarantor, through her son and representative, revised her offer and submitted a Revised Proposal (officially submitted on 04.07.2026), submitting the revised and best offer of INR 6,00,00,000/- (Rupees Six Crores only) towards full and final settlement of all claims, dues and liabilities in the present personal guarantor insolvency process, again premised on her retaining the Lands End residence for personal use and security and being discharged from all obligations upon implementation.

8. It is submitted that the RP once again evaluated the revised proposal under Section 105 and Regulation 17 and recorded that, notwithstanding the enhanced quantum, the proposal continued not to comply with key statutory requirements as there is no clear restructuring mechanism, no defined implementation schedule, no disclosure of credible sources of funds, no minimum budget for the guarantor and dependants, no provision

for RP's remuneration in priority, no treatment of excluded assets/debts, and no structured treatment of creditors or security interests.

9. In the same meeting, it was recorded that the total admitted secured financial debt against the Personal Guarantor is in the vicinity of IN 5,943 crores and that, on behalf of the consortium, the representative of Bank of Baroda stated that the lenders ought to receive at least INR 100 crores from the concerned guarantor, and other creditors did not dissent from such statement. It is submitted that the RP further noted for the record that, as per the Code, the creditors in meeting are empowered under Sections 107 to 111 to approve, modify or reject a repayment plan, and that, given the impending expiry of the moratorium period on 02.08.2026, it was necessary to draw the process to a logical conclusion. The RP recorded for the benefit of creditors that, if the repayment plan is rejected, any creditor may initiate bankruptcy proceedings against the guarantor under Chapter IV of Part III of the Code.

10. Accordingly, the resolution for approval / rejection of the repayment plan of the Personal Guarantor was placed for voting and the same was rejected by the creditors in exercise of their commercial wisdom.

11. 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. It is noted from the report that the Resolution Professional had presented the Repayment Plan, as prepared by the

Personal Guarantor in consultation with Resolution Professional, before the creditors in the meeting called by him for their consideration of the said repayment plan. The repayment plan has been rejected by the Creditors in the present case. Section 114 (1) provides that "*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*". In the present case, the Resolution Professional in his report has recommended rejection of the repayment plan of the Personal Guarantor in view of rejection thereof by the Creditors, and consequently has sought termination of personal guarantor insolvency resolution process. In these facts, we are of considered view that this Tribunal is required to pass u/s 114 on Rejection of the Plan.

12. 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 rejection of the repayment plan by the Creditors and recommendation of the Resolution Professional for termination of process would tantamount to rejection of plan by this Tribunal also in terms of section 114 of the Code and the consequences as provided in section 115(2) shall follow.

13. **In view of aforesaid, the Insolvency Resolution process is required to be terminated, thus entitling the Creditor/Debtor to proceed with Bankruptcy.**

14. Accordingly, we pass the following Order:

    i. The Interlocutory Application bearing **IA(I.B.C)/3420(MB)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 **C.P. (IB)/230(MB)2024**, 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.

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

Sd/-
PRABHAT KUMAR
MEMBER (TECHNICAL)

Sd/-
SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

/Nitesh Puri Goswami/