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

I.A. 4445 of 2026
IN
C.P. (IB) No. 737/(MB)/2024

Interlocutory Application under Section 114 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal, Rules 2016

Mr Sanjay Mahajan,
Resolution Professional of the Personal Guarantor,
3/3, Mohanlal Mansion, Bhandarkar Road,
Matunga Central, Mumbai,
Maharashtra – 400 019 ... **Applicant**

VERSUS

Mr Arjun Sumatiprasad Bafna,
residing at 22, Govind Mahal, 86/A,
Netaji Subhash Road, Marine Drive,
Mumbai, Maharashtra 400 002 ... **Respondent**

In the matter of:

HDFC Bank Limited ... **Petitioner**

VERSUS

Mr Arjun Sumatiprasad Bafna ... **Respondent**

Order delivered on 22.10.2026

CORAM:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Applicant: Mr Shahdab Jan a/w Ms Dhwani Chopda and Ms Mukta Kothari, Advocates

For the Respondent: Mr Rohit Gupta a/w Mr Darpan Bhatia, Advocates i/b Mr Abhishek Adke and Mr Anushka Nagpal, Advocates

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Mr. Sanjay Mahajan, Resolution Professional…vs… Arjun Sumatiprasad Bafna

O R D E R

Per : CORAM

1) The present Interlocutory Application is filed by the Resolution Professional **under Section 114 of the Insolvency & Bankruptcy Code, 2016 and Rule 11 of National Company Law Tribunal, Rules, 2016** seeking necessary directions from this Bench to approve the decision taken by the Committee of Creditors Members thereby accepting the Final Repayment Plan submitted by the Respondent vide Minutes of the Meeting dated 17.08.2026 read with Record of Summary of decision by E-voting held on 27.08.2026 and further seeks necessary directions from this Tribunal for condoning the delay of 340 days in filing the present Application.

2) Prayers sought in this Application are as under:

a) This Hon'ble Tribunal be pleased to condone the delay of approximately 340 days in filing the present Application;

b) This Hon'ble Tribunal be pleased to pass necessary directions to approve the decision taken by the CoC members thereby approving the final Repayment Plan submitted by the Respondent vide Minutes dated 18th August, 2026 of the

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meeting held on 17th August, 2026 read with Record of Summary of decision by e-voting held on 27th August, 2026;

c) After approval of the final Repayment Plan, this Hon'ble Tribunal is pleased to pass necessary directions to implement the final Repayment Plan submitted by the Respondent within the stipulated period of 30 days as stated in the final Repayment Plan and/or any other reasonable period as this Hon'ble Tribunal deems fit and proper.

3) The present Application, in brief, arises out of a Company Petition filed by **HDFC Bank Limited (Financial Creditor**) filed for initiation of Insolvency Resolution Process against **Mr. Arjun Sumatiprasad Bafna**, the personal guarantor to the Corporate Debtor **Bafna Motors (Pune) Private Limited**, u/s 95 of IBC, r/w Rule 7(2) of Insolvency & Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 and this Adjudicating Authority appointed Resolution Professional on 10.10.2024, with a direction to the Resolution Professional to submit his Report. This Tribunal, considering the Facts of the Matter and the Report, admitted the Company Petition and

initiated the Insolvency Resolution Process against the Personal Guarantor herein vide orders dated 06.06.2025, vide which Mr **Sanjay Ramdas Mahajan,** having registration No. **IBBI/IPA-001/IP-P02122/2021-2022/13523** was appointed as Resolution Professional, thereby commencing a moratorium u/s 101 of the Insolvency and Bankruptcy Code, 2016.

4) Pursuant to the order of admission, the Resolution Professional issued a public notice under Section 102 of the Insolvency & Bankruptcy Code, 2016 on 10.06.2025, thereby inviting claims from all the Creditors of the Respondent herein and to submit their claims with the Applicant, on or before 30.06.2025.

5) Upon publication of the public announcement, the Resolution Professional (RP) received claims only from the original Petitioner. It is submitted that on 19.08.2025, the Applicant shared a provisional list of Creditors with all Creditors of the Respondent who had submitted their respective claims, in which HDFC Bank was the only member of the Committee of Creditors with a voting share of 100%. It is also submitted that the first meeting of the Respondent's Creditors was held on 12.09.2025.

6) It is also noted that Tata Capital Limited, one of the Creditors of the Respondent, filed one Application seeking admission of the Claim, and this Bench vide its Order dt. 23.02.2026, allowed the Application filed by Tata Capital Limited and accordingly, the list of Creditors was revised, and the Committee of Creditors (CoC) was re-constituted on 03.03.2026. Tata **Capital** was included in the CoC with an 85.34% voting share, leaving Union Bank of India Limited with 12.29% and HDFC Bank with **2.38**%.

7) It is also submitted that the Personal Guarantor herein submitted a revised repayment plan on 11.03.2026 and the same was circulated to the CoC members on the same day. The Applicant states that, on 30.03.2026, the Respondent also submitted an Addendum to the Repayment Plan dated 11.03.2026. The Respondent offered to pay an aggregate of Rs. 60,00,000/- towards all its debts aggregating to Rs. 162,68,70,909.44 payable to the Creditors. The repayment was offered over 3 years. Further, the Respondent sought discharge from all existing liabilities in the event the CoC members approve the plan.

8) It is further submitted that the Committee of Creditors Members discussed the repayment plans submitted by the Respondent and vide e-voting scheduled on 07.04.2026, the CoC members unanimously

rejected the same as put forth in the third CoC Meeting and further voted in favour that Bankruptcy Proceedings to be initiated against the Respondent on account of rejection of the Repayment Plan in accordance with the said Code.

9) It is submitted that, while the CoC Members were considering the revised Repayment Plan dt. 20.05.2026, the Respondent once again sent a **final repayment plan dated 12.08.2026** wherein the **Respondent offered to pay a total amount of Rs. 75,00,000/- inclusive of the CIRP costs**, within a period of 30 days from the date of approval of the Repayment Plan by this Adjudicating Authority.

10) The Applicant states that, in view of the aforesaid, a fourth CoC Meeting was convened on 17.08.2026 wherein the final Repayment Plan was discussed at length. The Applicant states that Tata Capital Limited, being one of the CoC Members, discussed the final Repayment Plan submitted by the Respondent and, vide e-voting scheduled on 27.08.2026, Tata Capital Limited, being one of the CoC members (holding 85.34% voting share), has approved the same as put forth in the fourth CoC meeting and further voted in favour that the final Repayment Plan shall be approved in accordance with the said

Code. It is submitted that the other CoC members have abstained from voting in favour of the approval of the final Repayment Plan.

11) Since the CoC members have approved the final Repayment Plan submitted by the Respondent, the Applicant has filed the present Interlocutory Application.

12) Heard Ld. Counsel for the Applicant and Personal Guarantor extensively for a considerable time.

13) This Bench noted that the present Interlocutory Application is filed with a delay of approx. 340 days beyond the initial 120-day period, which expired on 04.10.2025. The Applicant for this Delay submitted that the Respondent continued to work towards the formulation and finalisation of a viable repayment plan, and that the process involved consideration, deliberation, and evaluation of the repayment proposal by the Stakeholders/Creditors. The delay in placing the Repayment Plan before this Tribunal was occasioned on account of the time required for finalisation of a workable repayment proposal and obtaining the requisite consideration and approval of the CoC; thus, it is submitted that the delay was neither deliberate nor with an intention to defeat or frustrate the insolvency resolution process in any manner whatsoever.

14) The object of the Insolvency Resolution Process of a Personal Guarantor is, inter alia, to facilitate a structured and effective repayment to the creditors. In the present case, the process has culminated in a repayment plan which has actually been considered and approved by the members of the CoC. The Creditors, having considered the terms of the repayment plan, have consciously approved the same after due deliberation in the meeting dated 17.08.2026 read with the e-voting summary held on 27.08.2026. In the present case, there has been substantial progress in the process, and, most importantly, Tata Capital Limited, being the majority holder of the CoC, has approved the repayment plan after considering it.

15) The Bench noted that the delay in the present case ought not to defeat the substantive outcome of the Insolvency Resolution Process. It is also noted that the statutory framework does not expressly provide that mere expiry of the period prescribed under Regulation 19 results in automatic termination or abatement of the Insolvency Resolution Process or renders a Repayment Plan, subsequently approved by the Creditors, incapable of consideration by the Tribunal. Hence, considering the facts and circumstances of the case, this Bench

condones the delay caused in placing the Repayment Plan before this Tribunal for consideration.

SALIENT FEATURES OF THE REPAYMENT PLAN:

16) The Repayment Plan (revised as on **12.08.2026**) submitted by **Mr Arjun Sumatiprasad Bafna** is annexed and marked as **Exhibit – I** to the present Interlocutory Application. The salient features of the same are as under: -

i. **Details of Creditors: -**

Sr. No.	Name of Creditor	Claimed Amount Admitted (in Rs)	Voting Percentage
1.	Tata Capital Limited	1,38,83,02,932.00	85.34 %
2.	Union Bank of India	19,99,12,960.83	12.29 %
3.	HDFC Bank	3.86.55,016.61	2.38 %

	Limited		
Total		**1,62,68,70,909.44**	**100 %**

ii. Asset and Liability Assessment: -

1. Assets

1.1 Non-Excluded Assets **Rs in Lacs**

Asset Description	Book Value	Est. Realisable Value	Encumbrance
Fixed Deposit with Bank	Nil	Nil	NA
Mutual Fund Investments	8.48	15.00	None
Shares in Associate companies $	111.63	Nil	None
Residential Flat	Nil	Nil	NA
Personal Vehicle	Nil	Nil	NA
Loans & Advances #	171.97	Nil	None
Total	**292.08**	**15.00**	None

iii. Excluded Assets (as per Section 79(14) of IBC): -

Asset Description	Rs. in lacs	Section	Basis for Exclusion
Life/Term insurance policy	10.13	79(14)(d)	Life insurance policy or pension plan

iv. Payment Structure: -

The payment shall be made in the following manner:

Amount (In Rs)	Remarks
75,00,000	The payment is to be made within 30 days upon approval of repayment plan by the Adjudicating Authority.

To resolve all the claims, liabilities, and other financial obligations against third parties, considering current net worth, financial ability, and means to pay in all other circumstances, the Personal Guarantor proposed a Repayment amount of Rs. 75,00,000/-, which includes CIRP costs, with the above term and implementation schedule.

v. Source of Funds for Resolution Process Costs: -

Cost Component	Estimated Amount (INR)	Source of Funds
The Repayment Plan as defined above and Resolution Professional's Fee and other costs	Rs. 75,00,000/- (Indian Rupees Seventy Five Lakhs only)	Payment will be made from personal savings and borrowings from friends/relatives.

The Personal Guarantor proposes to make payment as envisaged under this repayment plan from personal savings and borrowings from friends/relatives.

vi. Treatment of Pending Legal Proceedings: -

5.1 Civil Proceedings

The following civil proceedings related to the personal guarantees are currently pending:

Case Number	Court/Forum	Parties	Proposed Treatment
O. A. No. 1134 of 2023	DRT-2, Mumbai	HDFC Bank Limited v. Bafna Motors (Pune) Private Limited and Ors.	To be withdrawn/disposed of upon approval of repayment plan
O. A. No. 385 of 2022	DRT Aurangabad	Union Bank of India v. Bafna Motors (India) Private Limited and Ors.	To be withdrawn/disposed of upon approval of repayment plan
A/19/11663	SCDRC, Mumbai	Smt. Sunita S. Kotian v. M/s Bafna Motorcycles Private Limited	To be withdrawn/disposed of upon approval of repayment plan

vii. Terms and Conditions for Discharge: -

- Complete liquidation of the identified non-excluded assets and transfer of proceeds to creditors as per the plan
- Payment of Rs. 75 Lakhs with 30 days upon approval of repayment plan by the Adjudicating Authority
- Compliance with all other terms and conditions of the repayment plan
- Certification by the Resolution Professional of successful completion of the repayment plan
- Discharge order issued by the Adjudicating Authority under Section 119 of the IBC

Upon discharge, the Personal Guarantor shall be released from all remaining liability under the personal guarantees covered by this repayment plan financially or otherwise**.**

17) This Tribunal notes that the Repayment Plan was considered in the meeting of Creditors convened in accordance with Section 107. In exercise of the powers conferred under Section 111, the Creditors have deliberated on the plan and approved it, with Tata Capital Limited being one of the CoC members (holding an 85.34% voting share). In contrast, the **other CoC members have abstained from voting in favour of approving the final Repayment Plan**.

18) Upon perusal of the records submitted in respect of the Repayment Plan of the Personal Guarantor, the Repayment Plan complies with the provisions of law for the time being in force. The safeguards for the proper implementation of the Repayment Plan have also been provided. The Repayment Plan has been voted with an 85.34% majority. Therefore, we are satisfied that the Repayment Plan is in the Creditors' best interests.

19) We therefore, hereby approve the same with effect from the date of this order, with the following directions: -

i. The Resolution Professional shall supervise the implementation of the Repayment Plan as per the terms and conditions mentioned therein and file his Final Report in terms of section 117 or section 118, as the case may be, after the implementation of the Plan or upon completion of the timelines mentioned in the plan, whichever is earlier.

ii. The Debtor is permitted to share a certified copy of this Repayment Plan and order of this Tribunal approving this Repayment Plan with third parties including Statutory/Government Authorities wherever needed.

iii. **The approval of the Repayment Plan shall not be construed as a waiver of excluded debts as defined u/s 79(14), if any**.

iv. The terms & conditions for the discharge of the guarantor as set in the Repayment Plan as contemplated in the Repayment Plan shall be subject to the provisions of the Code and the discharge order u/s 119 of the IBC to be passed by this Tribunal after successful implementation of the said Repayment Plan.

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v. The Registry is directed to send a copy of this order to the Insolvency and Bankruptcy Board of India.

vi. The Resolution Professional/the Applicant herein shall forward all the records about the Insolvency Resolution Process against the Personal Guarantor to the Insolvency and Bankruptcy Board of India.

20) Accordingly, the present Interlocutory Application bearing IA No. 4445 of 2026, is Allowed and Disposed of.

Sd/- **Sd/-**

PRABHAT KUMAR
MEMBER (TECHNICAL)

SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Vedant Kedare
(Stenographer)

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