IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, COURT – 1, AHMEDABAD

ITEM No.303
IA/1333(AHM)2026
in
C.P.(IB)/117(AHM)2025

Under Reg. 17B of IBBI Reg. 2019 r/w Sec. 106(1)(A) of the IB Code, 2016

IN THE MATTER OF:

Efficax Resolution Professional Pvt. Ltd (RP in the IRP of Mrs. Komal Rakshit Patel PG of Ms. Jay Formulations Ltd) **.....Applicant**

Order delivered on: 22/10/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-SD-
SANJEEV SHARMA
MEMBER (TECHNICAL)

-SD-
SHAMMI KHAN
MEMBER (JUDICIAL)

Note: This order of the Bench consisting of Hon'ble Member (Judicial) and Hon'ble Member (Technical), is pronounced in open court on behalf of the Bench by Hon'ble Member (Judicial), under Rule 151 of the NCLT Rules, 2016.

-Sd-
(Paresh Vedani)
Court Officer

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD

I.A. No. 1333(AHM)2026
in
C.P (I.B.) No.117/NCLT/AHM/2025

(An application under Regulation 17B of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 read with Section 106(1)(a) of the Insolvency and Bankruptcy Code, 2016)

In the original matter of:

Small Industries Development Bank of India

……. Applicant /Financial Creditor

VERSUS

Mrs. Komal Rakshit Patel

……. Respondent/ Personal Guarantor

MEMO OF PARTIES

Efficax Resolution Professionals Pvt. Ltd.
IBBI Registration No. IBBI/IPE-0153/
-IPA-3/2023-24/50063
Having its IBBI registered address at:
Unit No. 14, 1st Floor, Ishwar Colony,
Bhama Shah Marg, Delhi – 110009

…….. Applicant/RP

VERSUS

1. **SMT. KOMAL RAKSHIT PATEL**
   B-74, Orchidwood, Opposite Vodafone,
   Corporate Road, Prahladnagar,
   Ahmedabad, Gujarat-380015.

2. **Small Industries Development Bank of India**
   Specialized Assets Recovery Branch (SARB)

Swavalamban Bhawan, 2nd Floor, C-11,
G-Block, Bandra Kurla Complex,
Bandra,Mumbai – 400051.

3. STATE BANK OF INDIA
Stressed Assets Management Branch
4th Floor, Old SBI LHO Building,
Ganesh Vasudev Mavalankar Road,
Lal Darwaja, Ahmedabad, Gujarat- 380001.

..... Respondents

Order Pronounced On: 22.10.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E S:

For the Applicant : Ms. Ayushi Gupta, Ld. Advocate
For the FC/SBI : Mr. Shrijit Pillai, Ld. Advocate
For the PG : Mr. Arjun Sheth, Ld. Advocate a.w.
Ms. Somya Jain, Ld. Advocate

O R D E R
(Per Bench)

1. This Interlocutory Application, has been filed on 12.08.2026 by the Resolution Professional under Regulation 17B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, read with Section 106(1A) of the Insolvency and Bankruptcy Code, 2016 ("Code"), seeking termination of the insolvency resolution process in respect of the Personal Guarantor, liberty to the creditors to pursue remedies available under

Chapter IV of the Code, and payment of the Resolution Professional's fees, costs and expenses as approved by the creditors with the following reliefs: -

1. *Allow the present application and terminate the insolvency resolution process* ***of Smt. Komal Rakshit Patel,*** *Personal Guarantor of M/s Jay Formulations Limited, initiated vide order dated 03.12.2025;*
2. *Grant liberty to the creditors of the Personal Guarantor to file a bankruptcy application under Section 121 read with Section 123 of the Code;*
3. *Direct the Creditors to pay the fees, costs and expenses of the Resolution Professional, as approved by the Creditors in its Third Meeting held on 29.06.2026 And/or*
4. *Pass such other order of direction as this Hon'ble NCLT may deem fit and proper to meet the ends of justice."*

2. We have heard the Learned Counsel appearing for the Applicant/Resolution Professional, the Learned Counsel appearing for the Financial Creditor/State Bank of India and the Learned Counsel appearing for the Personal Guarantor. We have also perused the application, the amended memo of parties, the written submissions, if any, the documents and annexures placed on record, the minutes of the meetings of creditors and the relevant orders passed in the insolvency resolution process.

3. It is submitted by the Applicant/Resolution Professional that an application under Section 95 of the Code was filed by the creditor on 27.02.2025. By order dated 25.04.2025, this Adjudicating Authority appointed the Applicant as the

Resolution Professional and directed it to submit a report under Section 99 of the Code. The Resolution Professional submitted its report on 11.05.2025, recommending admission of the application filed by the Financial Creditor. Thereafter, by order dated 03.12.2025, this Adjudicating Authority admitted the application under Section 100 of the Code and commenced the insolvency resolution process of Smt. Komal Rakshit Patel, Personal Guarantor to M/s. Jay Formulations Limited.

4. It is further submitted that, pursuant to commencement of the insolvency resolution process, the Resolution Professional issued a public notice dated 09.12.2025 under Section 102 of the Code, inviting claims from the creditors of the Personal Guarantor. The notice was published in the Gujarati edition of Jansatta, Ahmedabad, and the English edition of Financial Express. Upon verification of the claims, the Resolution Professional prepared the list of creditors. The admitted claims comprised Rs. 1,17,63,25,649.86 of State Bank of India and Rs. 7,67,06,244.00 of Small Industries Development Bank of India, with voting shares of 93.88% and 6.12%, respectively, as recorded in the application.

5. The Resolution Professional states that, on 10.12.2025, the Personal Guarantor was requested to submit a Repayment Plan under Section 105 of the Code, together with the requisite information and documents required for examining the plan and preparing the report under Section

106. A reminder was issued on 26.01.2026, followed by further communications. In the First Meeting of Creditors held on 23.03.2026, the authorised representative of the Personal Guarantor assured the creditors that the Repayment Plan and the requisite information would be furnished shortly.

6. It is stated that the Resolution Professional received a Repayment Plan on 05.04.2026. Upon examination, certain deficiencies and non-compliances were noticed, and the Personal Guarantor was requested on 07.04.2026 to submit a compliant plan. A revised Repayment Plan was received on 09.04.2026; however, according to the Resolution Professional, the deficiencies continued. The Resolution Professional also sought information required for preparing the Statement of Affairs under Regulation 10 of the aforesaid Regulations on 20.04.2026. Despite reminders, the requisite information and disclosures were not furnished. Consequently, the Resolution Professional was unable to complete the examination of the plan and assess its viability and feasibility in accordance with the applicable provisions of the Code and the Regulations.

7. The record further shows that the Resolution Professional prepared a report on the Repayment Plan under Section 106 of the Code and filed it before this Adjudicating Authority on 05.05.2026. Pursuant to the order dated 15.05.2026, the report was re-filed and taken on record on 17.06.2026. The revised Repayment Plan was placed before

the creditors in their Second Meeting held on 10.06.2026 for consideration and deliberation. The creditors sought clarifications, including creditor-wise particulars of the proposed repayment amounts, and decided to defer consideration of approval or rejection of the plan to the next meeting. The plan was not put to vote at that meeting.

8. The Applicant further states that, in the Third Meeting of Creditors held on 29.06.2026, the proposal to grant further time to the Personal Guarantor to submit a compliant Repayment Plan was considered but was not approved. The creditors authorised the Resolution Professional to approach this Adjudicating Authority for termination of the insolvency resolution process, with liberty to the creditors to initiate bankruptcy proceedings in accordance with the Code. As recorded in the minutes of the meeting, the resolution authorising the filing of the present application received the requisite approval of more than 50% of the creditors' voting share under Regulation 11(6) of the aforesaid Regulations. The minutes of the First, Second and Third Meetings of Creditors have been placed on record as Annexures-3, 4 and 5, respectively, to the application.

9. It is pertinent to note that the Personal Guarantor and the Financial Creditor were afforded opportunities to respond to the present application. No formal reply or objection to the application has been filed on record. Learned Counsel appearing for the Financial Creditor/State Bank of India has supported the application filed by the Resolution

Professional. However, Learned Counsel appearing for the Personal Guarantor has submitted that a revised Repayment Plan is proposed to be submitted and has requested that the matter be remanded to the creditors for reconsideration. The parties were directed to file their written submissions within two days, and the matter was reserved for orders.

10. The short question that arises for our consideration is whether, in view of the deficiencies in the Repayment Plan, the failure to furnish the requisite information, the decision of the creditors not to grant further time and the provisions of Section 106(1A) read with Regulation 17B of the aforesaid Regulations, the insolvency resolution process of the Personal Guarantor deserves to be terminated, with liberty to the creditors to pursue the remedies available under the Code.

11. Section 106 of the Code provides for examination of the Repayment Plan by the Resolution Professional and submission of the requisite report to the Adjudicating Authority. Section 106(1A), as applicable to the present proceedings, provides the statutory mechanism for termination of the insolvency resolution process where no Repayment Plan is submitted within the prescribed period. Regulation 17B of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, as amended, provides for the Resolution Professional, with the approval of the creditors, to approach

the Adjudicating Authority where no Repayment Plan has been prepared under Section 105 of the Code, seeking appropriate directions in accordance with law.

12. The aforesaid provisions must be read together, keeping in view the statutory purpose of providing a time-bound insolvency resolution process for personal guarantors. The failure to furnish a compliant Repayment Plan and the information necessary for its examination cannot be permitted to frustrate the process indefinitely. At the same time, the statutory consequences must be determined with due regard to the distinction between non-submission of a plan and formal rejection of a plan under the Code.

13. In the matter of ***Naseer Ahmed v. Ravindra Beleyur (RP),*** (2025) ibclaw.in 433 (NCLAT), decided on 13.06.2025, the Hon'ble National Company Law Appellate Tribunal, Chennai Bench, considered the consequences arising from the failure of a Personal Guarantor to submit a Repayment Plan within the prescribed period. The Tribunal held that, in the circumstances considered therein, the failure to submit a Repayment Plan resulted in the statutory consequences contemplated under Sections 114 and 115(2) of the Code, including liberty to the creditors to initiate bankruptcy proceedings.

14. Similarly, in ***Paresh Rastogi v. Omkara Assets Reconstruction Pvt. Ltd. and Anr.,*** (2025) ibclaw.in 194 (NCLAT), decided on 18.03.2025, the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New

Delhi, considered the consequences of non-submission of a Repayment Plan and recognised the course of approaching the Adjudicating Authority for termination of the insolvency resolution process, with liberty to the creditors to pursue bankruptcy proceedings in accordance with the Code.

15. Further, in ***Sudip Dutta @ Sudip Bijoy Dutta v. Prashant Jain (RP),*** (2024) ibclaw.in 713 (NCLAT), decided on 06.11.2024, the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi, considered the consequences where no Repayment Plan had been submitted or finalised. The Tribunal observed that, in the circumstances of that case, the Adjudicating Authority had not committed an error in granting liberty to the creditors to file an application for bankruptcy under Chapter IV of the Code, and that such liberty followed from the statutory scheme under Section 115(2).

16. The aforesaid decisions support the legal position that a failure to submit a Repayment Plan may result in termination of the insolvency resolution process and enable the creditors to pursue bankruptcy proceedings, subject to the statutory requirements. However, the present case involves the submission of a Repayment Plan which, according to the Resolution Professional, remained deficient and was not put to vote. The applicability of the aforesaid decisions must, therefore, be considered in the context of the present record and the subsequent statutory provisions.

17. In the present case, the record establishes that the Personal Guarantor was repeatedly called upon to submit the requisite information and a compliant Repayment Plan. Although a plan and a revised plan were submitted, the deficiencies identified by the Resolution Professional were not cured, and the information required for examination of the plan and preparation of the Statement of Affairs was not furnished despite reminders. The creditors considered the matter in their meetings and, in the Third Meeting held on 29.06.2026, declined to grant further time. The requisite resolution authorising the Resolution Professional to seek termination of the process was approved by more than 50% of the voting share, as recorded in the minutes.

18. The submission of Learned Counsel for the Personal Guarantor that a revised Repayment Plan may now be submitted has been considered. However, no compliant revised plan has been placed on record for consideration, and the creditors have already declined to grant further time. In these circumstances, remanding the matter to the creditors at this stage, without a compliant plan and the requisite supporting information, would prolong the proceedings without any demonstrated basis for a viable resolution. We are, therefore, not inclined to accede to the request for remand.

19. Having regard to the facts and circumstances of the case, the decision of the creditors, the applicable provisions of the Code and Regulation 17B of the aforesaid Regulations,

we are satisfied that the present application deserves to be allowed. It is clarified that the Repayment Plan was not put to vote and has not been formally rejected by a vote of the creditors. The present order is confined to termination of the insolvency resolution process on the basis of the circumstances placed on record and the statutory mechanism invoked by the Resolution Professional. Accordingly, we pass the following directions: -

(a) The application filed by the Resolution Professional under Regulation 17B of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 read with Section 106(1A) of the Code is taken on record.

(b) The absence of a compliant repayment plan is treated as deemed rejection under Section 114 of the Code.

(c) The insolvency resolution process of **Smt. Komal Rakshit Patel**, Personal Guarantor to M/s. Jay Formulations Limited, commenced by order dated 03.12.2025 under Section 100 of the Code, stands **terminated**, in accordance with the applicable provisions of the Code.

(d) The creditors and/or the debtor shall be at liberty to pursue an application for bankruptcy under Section 121 read with Section 123 of the Code, subject to fulfilment of the statutory requirements and within



the period prescribed by the applicable provisions of the Code.

(e) The moratorium commenced in terms of Section 101 of the IB Code, 2016 in relation to all the debts and assets of the Personal Guarantor shall cease to have effect from the date of this order. Accordingly, creditors are now at liberty to pursue remedies outside the Code, subject to any applicable laws.

(f) The fees, costs and expenses of the Resolution Professional, as approved by the creditors in their Third Meeting held on 29.06.2026, shall be borne and paid by the creditors in accordance with the decision recorded in the minutes of the said meeting and the applicable provisions of the Code and the Regulations.

(g) The Resolution Professional shall stand discharged from further conduct of the insolvency resolution process, subject to completion of the applicable reporting, communication, record-handover and other statutory requirements. The Resolution Professional shall be entitled to the fees, costs and expenses payable in accordance with clause (d) above and the applicable Regulations.

(h) The Resolution Professional shall communicate a copy of this order to the Personal Guarantor, all creditors and the Insolvency and Bankruptcy Board of India, as required under the applicable provisions of the Code

and the Regulations, and shall complete the consequential formalities within the prescribed period.

20. With the above directions, the present Interlocutory Application, being **I.A. No. 1333(AHM)2026** in C.P. (IB) No. 117(AHM)2025, stands **disposed of.** The Registry is directed to communicate this order to all concerned parties. File be consigned to records.

-SD-
SANJEEV SHARMA
MEMBER (TECHNICAL)

-SD-
SHAMMI KHAN
MEMBER (JUDICIAL)

Alpesh (PS)

Note: This order of the bench consisting of Hon'ble Member Judicial & Hon'ble Member Technical is pronounced in open court on behalf of the Bench by Hon'ble Member Judicial under Rule 151 of NCLT, Rules, 2016.

-Sd-
Paresh Vedani
(Court Officer)