NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH
COURT NO. 1

ITEM No.201

IA/369(MP)2026
in
CP(IB)/88(MP)2023

Order under Section 60(5) r.w. Rule 11

IN THE MATTER OF:

State Bank of India **.....Applicant**
V/s
Ms Teena Saraswat Pandey RP of Mrs. Ameeta Argal **.....Respondent**

Coram:

Hon'ble Shri Praveen Gupta, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 22/10/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Sd/-

PRAVEEN GUPTA
MEMBER (JUDICIAL)

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NATIONAL COMPANY LAW TRIBUNAL

BENCH AT INDORE

I.A./369(MP)/2026

IN

C.P.(IB)/88(MP)/2023

[An Application filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016]

State Bank of India

Through Authorised Representative,

Mr. Narendra Kumar Tahiliani,

Stressed Assets Recovery Branch Bhopal,

1st Floor, SBI Building, Plot No. 1, Arera Hills,

Old Jail Road, Bhopal, (M.P.) – 462011

……..Applicant

Vs.

Ms. Teena Saraswat Pandey

Resolution Professional of Mrs. Ameeta Argal,

(Personal Guarantor)

387-F, 114, Scheme Part-1,

Behind Diksha Boys Hostel, Sant Nagar,

Indore, Madhya Pradesh – 452010

……..Respondent

And in the matter of:

Punjab National Bank

.....Financial Creditor

Vs.

Mrs. Ameeta Argal
W/o Late Kamlesh Kumar Argal

.....Personal Guarantor

CORAM

Praveen Gupta, Hon'ble Member (J)

Man Mohan Gupta, Hon'ble Member (T)

Appearance:

For the Applicant: Mr. Rohit Dubey, Adv.

For the Respondent: Ms. Teena Saraswat Pandey, RP (in person)

Order Pronounced on: 22.10.2026

J U D G M E N T

1. The present Application has been filed by **State Bank of India** ("Applicant"), through its authorised representative, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("the Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016, in the Personal Insolvency Resolution Process ("PIRP") of **Mrs. Ameeta Argal** ("Personal Guarantor").

The Applicant seeks condonation of a delay of 17 days in filing its claim before the Resolution Professional, **Ms. Teena Saraswat Pandey** ("Respondent" or "RP"), and a direction to the RP to admit its claim of INR 10,95,20,402.79 as a secured financial debt. The Application was filed on 11.06.2026.

2. The Applicant seeks the following reliefs:

(a) to condone the delay in filing of the claim with the RP, and to direct the RP to admit the claim of the Applicant of INR 10,95,20,402.79 as a secured financial debt and to collate the same in the updated list of creditors; and

(b) to pass such other order(s) or direction(s) as the Tribunal may deem just and proper.

Background

3. **C.P.(IB)/88(MP)/2023** was filed by **Punjab National Bank** ("PNB") under Section 95 of the Code against the Personal Guarantor on 05.09.2023. By order dated 13.04.2026 (Annexure A-1), this Tribunal admitted it under Section 100 of the Code. Ms. Teena Saraswat Pandey, who had been appointed as RP by order dated 09.02.2024, was appointed as the RP for conducting the insolvency resolution process of the Personal Guarantor. The order directed the RP to cause a public notice inviting claims, to be registered within 21 days of its issuance (clause VIII).

4. The RP issued the public notice on **22.04.2026** and fixed **13.05.2026** as **the last date for submission of claims**.

5. The Applicant states that it is a financial creditor of **M/s Shakuntala Warehouse,** a partnership firm of Shri Amitesh Argal and Shri Kamlesh Kumar Argal ("Borrower"). By sanction letter dated 16.11.2016, issued through its M.P. Nagar (Zone II) Branch, Bhopal, it sanctioned an overdraft facility of **Rs. 5.70 crores** to the Borrower. The Borrower, through its partners, and Shri Amitesh Argal, Shri Kamlesh Kumar Argal and Smt. Ameeta Argal, in their personal capacity as guarantors, executed loan facility documents including guarantee deeds, a mortgage deed and facility agreements.

6. As security, Smt. Ameeta Argal mortgaged her immovable property, being the warehouse on Diverted Land Survey No. 167/2/1 (after diversion 167/2/1/1 and 167/2/1/2), total area 1.00 acre, at Village Obedullaganj, District Raisen, by deposit of the original title deed with intent to create an equitable mortgage. The declaration of equitable mortgage was registered with the Sub-Registrar Office, Obaidullaganj, vide e-registration No. MP292632017A1003577 dated 04.01.2017.

7. The loan account of the Borrower was classified as **NPA on 28.08.2017.** The Applicant issued a **demand notice dated 29.07.2018** under Section 13(2) and **a symbolic possession notice dated 12.12.2018** under Section 13(4) of the SARFAESI

Act, 2002, and then moved the District Magistrate under Section 14. An order for physical possession was passed on 29.11.2019. The mortgaged property has not yet been sold (Application, paras 4 to 6).

8. The Applicant filed O.A. No. 423/2018 on 18.04.2018 before the Debts Recovery Tribunal, Jabalpur ("DRT") under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993, against the Borrower and the guarantors. By judgment and decree dated 02.01.2019, the DRT decreed recovery of **Rs. 6,06,69,144.31**/- with simple interest at 10.00% per annum from 18.04.2018, with costs, till realisation. Execution proceedings, R.C. No. 167/2019, are pending before the DRT. The mortgaged property was attached by the Court Commissioner on 25.08.2023 under order dated 21.08.2023 and has not been sold.

9. The Applicant states that **Rs.10,95,20,402.79** was due to it as on 13.04.2026, the date of commencement of the PIRP. It also states that it holds a first charge over the mortgaged property, so that its debt is a secured financial debt and the property is "security interest" under Section 3(31) of the Code (Application, paras 9 to 12).

10. The Applicant states that it first learnt of the PIRP from the letter dated 22.05.2026, received on 26.05.2026, and the email dated 28.05.2026 of the RP, to which the public announcement dated 22.04.2026 was attached (Annexure A-2).

It filed its claim in Form B, with the judgment and decree dated 02.01.2019 and other documents, on 30.05.2026 by email and by post (Annexure A-3).

11. By email dated 01.06.2026 (Annexure A-4), the RP informed the Applicant that its claim could not be admitted as it was delayed. This Application followed. (The written submissions of both parties also refer to emails dated 08.06.2026 and 11.06.2026, while the Application and the Reply refer only to the email dated 01.06.2026.)

Submissions of the Applicant

12. The Applicant submits that it is a secured financial creditor of the Personal Guarantor on the strength of the judgment and decree dated 02.01.2019 passed by the DRT in O.A. No. 423/2018, which was passed against the Borrower and its partners and guarantors, including the Personal Guarantor. The debt is secured by a registered equitable mortgage, execution proceedings are pending, and INR 10,95,20,402.79 was due as on 13.04.2026.

13. The Applicant submits that it came to know of the PIRP only on receipt of the RP's letter dated 22.05.2026 (received on 26.05.2026) and email dated 28.05.2026. Immediately on acquiring that knowledge, it collated the records and documents from its concerned branch and vertical and filed its

claim in the prescribed form on 30.05.2026, a delay of only 17 days.

14. The Applicant submits that the public announcement period, 22.04.2026 to 13.05.2026, coincided with its financial year-closing exercise, the statutory audit of the Reserve Bank of India and an internal risk-focused audit, together with the compliance work that went with them. During this time, the public announcement was inadvertently overlooked by the concerned officials of a large public sector bank working through numerous branches and verticals. The Applicant submits that this explanation is plausible, specific and consistent with the record (Annexures A-1 to A-3).

15. The Applicant submits that the delay is minor, unintentional and adequately explained, and has caused no prejudice to the Personal Guarantor, the RP or any other stakeholder, as no repayment plan has been approved in the process. According to the Applicant, the test for condoning delay in submission of claims is whether the process has reached a stage of finality, particularly approval of a repayment plan, such that entertaining a fresh claim would upset settled expectations or reopen concluded proceedings.

16. The Applicant submits that the Hon'ble Supreme Court has, in a consistent line of authority, held that the timelines for submission of claims under the Code and the Regulations are

directory and not mandatory, and that an RP cannot reject a claim solely on the ground of delay, more so where the process has not concluded. No judgment is named in the written submissions. The Applicant adds that "sufficient cause" must be construed liberally to advance substantial justice, that refusal of condonation may shut out a meritorious claim on a technicality, and that condonation, at worst, only enables adjudication on merits. In its submission, the RP's role is to aid, and not to defeat, the collection of a complete and accurate list of claims.

17. The Applicant submits that exclusion of a secured claim backed by a decree for over Rs. 6 crores (over Rs. 10.95 crores with interest), on the ground of a short and explained delay, at a stage when no plan has been approved, would work manifest injustice to the Applicant and distort the true financial position of the estate of the Personal Guarantor.

18. The Applicant relies on the order of the NCLT, Kolkata Bench dated 25.08.2025 in I.A. (IB) No. 969/KB/2025 in C.P. (IB) No. 189/KB/2024 (*Deutsche Bank AG v. Neeraj Kejriwal, RP of Arpit Dhandhania*), where, in a personal guarantor process, the Kolkata Bench held that the Adjudicating Authority has inherent power to condone delay in filing a claim and referred to *N. Balakrishnan v. M. Krishnamurthy* (1998) 7 SCC 123 on the liberal construction of "sufficient cause".

19. The Applicant prays that the delay of 17 days in filing its claim be condoned, that the RP be directed to admit the claim of INR 10,95,20,402.79 as a secured financial debt and to collate it in the updated list of creditors of the Personal Guarantor, and for such other orders as may be just.

Submissions of the Respondent

20. The Respondent filed a Reply dated 30.06.2026, with an affidavit in support. The Respondent submits:

(a) The respondent has at all times acted strictly in accordance with the Code and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 ("PG Regulations"), and has not exercised any discretion beyond the statutory framework. The respondent has only discharged the procedural and administrative functions cast on an RP in a personal guarantor insolvency, and the Reply is filed without prejudice to her rights and contentions.

(b) C.P.(IB)/88(MP)/2023 was filed by PNB under Section 95 of the Code on 05.09.2023 and was admitted by this Tribunal by order dated 13.04.2026 under Section 100, after which she stands associated as RP. In compliance with Section 102 of the Code read with Regulation 7 of the PG

Regulations, the public notice inviting claims was issued and published on 22.04.2026, fixing 13.05.2026 as the last date. The notice set out the commencement of the process, the particulars of the RP and the last date by which creditors were to lodge their claims in the prescribed form.

(c) As is evident from the Applicant's own pleadings, the Applicant submitted its claim in Form B only on 30.05.2026, 17 days after the last date. The delay is admitted by the Applicant, who attributes it to its internal financial year-end closing and audit-related activities during April and May 2026.

(d) Under the statutory scheme, the RP is to receive, collate and verify the claims submitted within the period in the public notice and to prepare the list of creditors under Section 104 of the Code read with Regulation 9 of the PG Regulations. Neither the Code nor the PG Regulations give the RP any power to condone delay in submission of claims, or to extend the time beyond the last date in the public notice, except in terms of the directions of this Tribunal. The role of the RP is administrative and facilitative: issue of the public notice, receipt and collation of claims, verification of claims from records and documents, preparation of the list of creditors, and assistance in the examination and formulation of the repayment plan. The RP has no

adjudicatory power to decide limitation, to condone delay or to override the statutory timelines.

(e) By email dated 01.06.2026, the respondent informed the Applicant that the claim could not be admitted on account of delay, the last date having expired on 13.05.2026. The email was issued purely in discharge of Respondent's statutory duty. It did not arise from any personal objection or from any adjudication on the merits of the claim. She has not rejected the claim on merits, and has only stated the legal position that a claim lodged beyond the prescribed timeline cannot be admitted by an RP without an enabling power. She cannot arrogate to herself a jurisdiction which the Code reserves for the Adjudicating Authority.

(f) The respondent has no personal or legal objection to the Applicant's claim of INR 10,95,20,402.79, founded on the judgment and decree dated 02.01.2019 of the DRT, being considered, subject to verification of the quantum, security, interest and supporting documents under the Code and the PG Regulations. If this Tribunal, in exercise of its jurisdiction under Section 60(5) of the Code read with Rule 11 of the NCLT Rules, condones the delay and permits admission of the claim, she shall forthwith give effect to such directions.

(g) On such condonation and direction, she undertakes to **(i)** treat the claim as duly filed; **(ii)** verify the claim and the accompanying documents, including the judgment and decree and the security particulars, in terms of Regulation 7 of the PG Regulations; **(iii)** update the list of creditors under Section 104 read with Regulation 9 so as to reflect the Applicant's claim; and **(iv)** place the Applicant appropriately in the list of creditors for all consequential steps, including consideration of and voting on the repayment plan, in accordance with law and the directions of this Tribunal.

(h) that if the delay is condoned, the respondent be directed to verify, admit and collate the claim in accordance with the Code, the PG Regulations and the directions of this Tribunal and to update the list of creditors; and for such other orders as may be just.

Written Submissions of the Respondent

21. The Respondent has also filed written submissions and submits:

(a) The amount as on the date of commencement, the interest after the decree, recoveries and adjustments, enforceability and the effect of the pending execution need independent verification, and the figure of the Applicant cannot be

admitted solely on its assertion. The extent of the security is to be verified from the security documents, title records, charge particulars, valuation and any competing encumbrances, and a decree of the DRT does not dispense with this.

(b) A direction to verify can arise only after the delay is condoned, and admission cannot be automatic. Even after condonation, the proper direction is to verify the claim and then admit and collate only the amount and security status established from the records.

(c) The Respondent letter dated 22.05.2026 and email dated 28.05.2026 were additional communications, and the public announcement had already been issued on 22.04.2026. Whether the Applicant's lack of actual knowledge is sufficient cause is for this Tribunal. The communications declining the claim are given in the list of dates as those of 08.06.2026 and 11.06.2026, and were procedural.

(d) The respondent relies on the order of this Bench dated 04.06.2025 in **I.A./203(MP)/2025** in C.P.(IB)/16(MP)/2021 **(*HDB Financial Services Ltd. v. Surendra Kumar Patwa*),** where the RP had also said that she lacked power to condone, this Tribunal condoned the delay and directed verification and inclusion of the claim.

According to her, that order does not mandate unconditional admission of the amount claimed.

(e) Her prayer here is that, if the delay is condoned, the respondent be directed to verify the claim, update the list of creditors and take consequential steps.

Analysis and Findings

22. We have heard the parties and gone through the material on record.

23. The dates are not in dispute. The public notice was issued on **22.04.2026** and the last date for claims was **13.05.2026,** which gave the 21 days provided in clause VIII of our order dated 13.04.2026. The Applicant filed its claim on 30.05.2026. The Respondent accepts that the claim was filed 17 days after the last date.

24. The Respondent is right that neither the Code nor the PG Regulations give the RP the power to condone the delay or to extend the last date fixed in the public notice, and the Applicant does not say otherwise. The question is for this Tribunal. In *HDB Financial Services Ltd.* (supra), this Bench held that Section 60(5) of the Code vests this Tribunal with jurisdiction to entertain an application seeking condonation of delay in filing a claim, and that the Adjudicating Authority may condone the delay where sufficient cause is shown (paras 6 to 8). The Kolkata

Bench has also held, in *Deutsche Bank AG* (supra), that the Adjudicating Authority is vested with inherent power to condone such delay (para 15). We respectfully follow the same view.

25. We now come to the cause shown. The Applicant says that it learnt of the process only when the RP's letter dated 22.05.2026 reached it on 26.05.2026, and that it filed the claim four days later, on 30.05.2026, after collecting the records from its branch. The letter of the RP is itself dated nine days after the last date. The reason given for missing the public notice is the pressure of the year-end closing and the audits in the offices of the Applicant. This is not an elaborate explanation, and a creditor of the size of the Applicant is expected to watch for a public notice of this kind. At the same time, nothing on record shows that the delay was deliberate or meant to gain any advantage. The Respondent does not dispute the facts stated by the Applicant, does not allege mala fides and does not point to any prejudice to the Personal Guarantor or to any other stakeholder. She leaves the sufficiency of the cause to us.

26. The Applicant states that no repayment plan has been approved in the process, and the Respondent has not said otherwise. Nothing placed before us shows that any step taken in the PIRP would be undone by considering the claim. The delay is short. The claim is founded on a decree of the DRT. If the delay is not condoned, the claim will be shut out without

any examination. If the delay is condoned, the claim will only be examined. The principle in *N. Balakrishnan* (supra), as extracted in the order of the Kolkata Bench, is that "sufficient cause" receives a liberal construction, except where the delay is deliberate and meant to gain time. There is no such suggestion in this case. In these facts, we find sufficient cause to condone the delay of 17 days.

27. The Applicant has also relied on the proposition that the Hon'ble Supreme Court has held the timelines for claims to be directory, but no judgment has been cited. We have decided the matter on sufficient cause and do not need to go into that question.

28. We come to the second question. The Applicant asks that the RP be directed to admit INR 10,95,20,402.79 as a secured financial debt. The Respondent has no objection to the claim being considered, but says that the amount as on the date of commencement, the interest after the decree, recoveries and adjustments, the effect of the pending execution (R.C. No. 167/2019) and attachment, and the secured status and extent of the security have to be verified. We agree. Verification of a claim is the function of the RP under Regulation 7 of the PG Regulations and Section 104 of the Code. The RP has not yet done it, as the claim reached her after the last date and she could not have condoned the delay. On the material before us

in this application, we are not examining the quantum, the interest or the security, and we do not direct admission in the amount claimed. As in *HDB Financial Services Ltd.* (supra), the proper direction is that the claim be verified in accordance with the Code and the PG Regulations and included in the list of creditors to the extent verified.

29. The Respondent declined to admit the claim on the ground that she has no power to condone the delay. That is the position under the Code and the PG Regulations, and we make no adverse observation against her.

ORDER

30. In light of the foregoing, **I.A./369(MP)/2026** is **Partly Allowed & disposed of** in the following terms:

(a) The delay of 17 days in filing the claim of the Applicant with the Respondent on 30.05.2026 is hereby condoned.

(b) The Respondent shall treat the claim as filed within time and shall verify it, with the supporting documents, including the judgment and decree dated 02.01.2019 of the DRT and the particulars of the security, in accordance with the Code and the PG Regulations. The respondent shall inform the outcome to the Applicant within one week from the date of receipt of this order.

(c) The Respondent shall include the claim of the Applicant in the list of creditors under Section 104 of the Code, to the extent it is verified, and shall ensure that the Applicant is given due opportunity to participate in the insolvency resolution process, including any meetings of creditors under Sections 106 to 111 of the Code.

(d) The prayer to direct the Respondent to admit the claim of Rs. 10,95,20,402.79 as a secured financial debt, in the amount claimed, is not granted at this stage. If the Applicant is aggrieved by the decision of the Respondent on verification, it may approach this Tribunal in accordance with law.

31. Accordingly, **I.A./369(MP)/2026** stands **Partly Allowed** & **disposed of** in the above terms.

Sd/- Sd/-

MAN MOHAN GUPTA **PRAVEEN GUPTA**

MEMBER (TECHNICAL) **MEMBER (JUDICIAL)**

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