

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH-COURT IV
I.A/2194/ND/2025
IN
COMPANY PETITION I.B. 752/ND/2022
(ORDER UNDER SECTION 114 r/w SECTION 115(2) OF THE INSOLVENCY
AND BANKRUPTCY CODE 2016)

IN THE MAIN MATTER OF:

STATE BANK OF INDIA (THROUGH RP MS. CHANCHAL DUA)

...APPLICANT

VERSUS

SHRI KRISHAN DHINGRA

...RESPONDENT/PG

IN THE MATTER OF:

MS. CHANCHAL DUA

...APPLICANT/RESOLUTION PROFESSIONAL

Order delivered on 14.10.2026

CORAM:

SHRI MAHENDRA KHANDELWAL

SHRI ATUL CHATURVEDI

HON'BLE MEMBER (JUDICIAL)

HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant/RP: Mr. Amit Sanduja

For the SBI: Mr. Siddharth Sangal, Ms. Richa Mishra Advs

ORDER

PER: MAHENDRA KHANDELWAL (MEMBER JUDICIAL)

1. The present Interlocutory Application has been filed under Sec 112 of the IBC, 2016 read with Rule 11 of the NCLT Rules 2016 by the Resolution Professional(RP), inter alia, placing the report under Section 112 of the Insolvency and Bankruptcy Code, 2016 ("IBC/Code") and seeking the following prayers: -

- a) *Take on record the present Report under Section 112 of the Code; and/or*
- b) *Pass appropriate order(s) under Section 114 read with Section 115 of the Code, for granting liberty to the Creditor(s) to file an application under Section 121 of the Code, to initiate Bankruptcy Process against the Personal Guarantor - Mr Krishan Dhingra (PAN - AEOPD7331P); and/or*
- c) *Pass such further order(s), as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the case.*

2. **RELEVANT BRIEF FACTS OF THE CASE ARE AS FOLLOWS:**

- a) State Bank of India had filed a Sec 95 application against the Personal Guarantor(PG), Mr Krishan Dhingra, for the guarantee given for the Corporate Debtor **M/S JMD OILS PVT. LTD.** for an amount of Rs. 390,99,83,760.27/-
- b) This Adjudicating Authority had, vide its order dated 09.12.2024, accepted the Sec 99 report submitted by the Resolution Professional and passed an order under Sec 100 for the initiation

of the personal insolvency resolution process against the personal guarantor, Mr Krishan Dhingra.

- c) Pursuant to this order, the RP issued a public notice inviting claims from the creditors of the Personal Guarantor in Business Standard (English)- Delhi NCR Edition and Rashtriya Sahara (Hindi)- Delhi NCR Edition. The last date of submission of claims was 06.01.2025.
- d) The claims received by the Resolution Professional in accordance with the public announcement were collated and verified, and accordingly the list of creditors of the personal guarantor was prepared in view of Section 104 of the Insolvency and Bankruptcy Code, 2016.
- e) The personal guarantor was intimated about the initiation of the resolution process and was asked to submit certain documents for preparation of the Statement of Affairs and for submission of the Repayment Plan in accordance with Section 105 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 17 of the IBBI (Insolvency Resolution Process for Personal Guarantors of Corporate Debtors) Regulations, 2019, containing a proposal to the creditors for restructuring of his debts or affairs, at the earliest.
- f) The personal guarantor, in the email, replied that the assets of the corporate debtor have been auctioned and the banks have already realised an amount of Rs. 96 crores. Further, they have no

documents available with them, as they are already with the Banks.

g) The Personal Guarantor also proposed to pay an amount of Rs. 4.5 crores over a period of 6 months as repayment.

3. Six creditors submitted their claims, and the CoC was constituted.

Excerpts of the creditors and their claims are reproduced below:

Sr. No.	Name of Creditor	Nature of Claim	Whether security right forfeited	Details of Claims as on 19.02.2025		
				Amount Claimed (in INR)	Amount Admitted (in INR)	Share
1	Indian Overseas Bank	Secured	No	12,94,50,63,645	12,33,57,80,627	34.98%
2	Punjab National Bank	Secured	Yes	8,70,03,44,130	8,50,95,38,183	24.13%
3	State Bank of India	Secured	Yes	7,06,35,65,983	6,01,30,19,663	17.05%
4	Bank of Baroda	Secured	Yes	5,64,64,76,217	5,64,64,76,217	16.01%
5	Union Bank of India	Secured	No	1,14,67,79,305	1,14,67,79,305	3.25%
6	Central Bank of India	Secured	Yes	1,98,90,25,203	1,61,62,41,061	4.58%
Total				37,49,12,54,482	35,26,78,35,056	

4. The Resolution Professional has submitted that he has prepared the Statement of Affairs in accordance with Regulation 10(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution

Process for Personal Guarantors to the Corporate Debtor) Regulations,

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I.B.752/ND/2022

Date of Order 14.10.2026

2019. A copy of the statement of Affairs is annexed as **Annexure A-10** of the Application. Excerpts of Assets and liabilities as per the Statement of Affairs are reproduced below:

A. Assets and liabilities for the preceding three financial years and the current financial year

As per the documents submitted by the Personal Guarantor, the following are the Assets owned by the Guarantor.

- DETAILS OF IMMOVABLE PROPERTIES AS ON 31.12.2024

Place (s) where land (s) or building (s) is/are situated	Ancestral or self acquired/ belonging - individual name/ in joint names, specify share thereof)	If encumbered to what extend	Extent of Land in acres	Market value in Rupees. Rs in Lacs	Whether any case/suit before any competent Court authority in respect of the immovable property is pending	Whether agricultural or non-agricultural and whether comes in ceiling area
i) H-68, Bali Nagar, New Delhi - 110015 (2nd floor with roof rights, 1800 sq. ft.)	Self Acquired	Yes, Equitable Mortgage with Indian Overseas Bank led Consortium	-	200.00	No	Residential

ii) Khasra No.86/11,20 Village Mundka Delhi-110041	Self Acquired	Yes, Equitable Mortgage with Indian Overseas Bank led Consortium	605 Sq Yard	150.00	No	Agricultural
iii) 3/147-148, Basement, Ramesh Nagar New Delhi-110015	Self Acquired	No	1000 Sq. Ft.	25.00	No	Commercial
Total of (a)				Rs. 375 Lacs		

- OTHER ASSETS

Particulars	Amount Rs. In Lacs	If encumbered to what extent
Liquid Assets:		
i) Cash	0.14	
ii) Bank Balance	0.34	
iii) Fixed Deposits (Given for Surety)	5.50	YES (100%)
Total of (b)	5.98	
Others:		
i) Shares -MRPL (Mangalore Refinery And Petrochemicals Limited) -Indraprastha Appollo -Reliance Power -SM Dyechem	0.35	
ii) Life Insurance Policies (Premium Paid)	7.88	
iii) Revolver	0.25	
Total of (c.)	8.48	

Less: Liabilities

Particulars	Amt. Rs. In Lacs
Borrowing from other sources	65.00

Net Worth as on 31.12.2024 = Rs.324.46 Lakhs

5. In terms of Sec 106(2) of the IBC, the resolution professional submitted the report stating that the repayment plan was partially compliant with Section 105 read with Regulation 17 of the PIRP Regulations. Also, the amount mentioned in the repayment plan was on the lower side, yet it had prospects of approval, as the approval of repayment being CoC's discretion and comes under commercial wisdom. The same report was taken on record by this adjudicating authority. The report under Sec 106 is annexed as **Annexure A-11** in the application. Relevant para of the report under Sec 106 is reproduced below:

**COMPLIANCE UNDER SECTION 106 OF THE CODE AND
CONSEQUENTIALS RELIEFS SOUGHT**

1. That in terms of the provisions of the Code and Regulations thereof, the Resolution Professional submits as under:

i. That in terms of Section 106(2)(a) of the Code, the Resolution Professional declares that the repayment plan is partially in compliance with Section 105 read with Regulation 17 of the PIRP Regulations and the same needs few curing by the Personal Guarantor. The Repayment Plan dated 26.01.2025 submitted by the Personal Guarantor, along with its annexures are annexed herewith and marked as **ANNEXURE A-8 (COLLY)**.

ii. That in terms of Section 106(2)(b) of the Code, on perusal of the Repayment Plan, the Resolution Professional observes that although the value/off~~er~~^{er} made by the personal guarantor for Rs. 4.50 Crores (Four Crores Fifty Lakhs) through repayment plan seems to be on a lower side in comparison to the amount of claims received by the resolution professional and has scope of further improvement for providing better value to the creditors, hence the repayment plan has a reasonable prospect of being approved and implemented. However, the approval of the repayment plan being the prerogative of the Creditors, therefore decision on the same is left open to the commercial wisdom of the Creditors.

6. This adjudicating authority had, vide its order dated 03.02.2025, stated that there was a need to call a meeting of creditors of the personal guarantor.
7. Accordingly, the first CoC meeting was called, where the resolution professional apprised the CoC about progress and updates on the resolution process. The repayment plan was discussed, and 2 creditors, IOB and UBI, which held mortgaged rights in the immovable properties of the PG, were apprised that the repayment plan submitted by the personal guarantor cannot be considered until all the consortium

members forfeit their rights in the mortgaged assets, as the repayment plan envisages release of the mortgaged assets of the personal guarantor.

8. The personal guarantor was also asked to modify the repayment amount, as the repayment plan of 4.5 crore against an amount of 3527 crores (approx.) is minimal. But the personal guarantor submitted that he couldn't place a better offer.
9. The second CoC was convened on 10.03.2025, where, among other things, the discussion on relinquishment of rights of mortgaged property was held. The financial creditor, IOB, stated that they could not relinquish their mortgage rights as the repayment plan was minimal. If a revised repayment plan with an amount above the fair market value of the property was offered, only then could the relinquishment of rights be discussed.
10. The personal guarantor submitted the revised payment of 4.65 crores for the CoC to consider. The CoC in its third meeting considered the revised repayment plan and made it clear that they could not accept this minuscule amount against the claim of 3527 crores (approx.). The personal guarantor submitted that he could revise the amount and offer an additional 15 to 20 lakhs to the creditors.
11. The creditors came to a conclusion that since the repayment plan was contingent upon the relinquishment of the mortgaged properties by 2 members of the CoC, it was conditional and liable to be rejected. Consequently, the revised repayment plan was unanimously rejected.

The resolution professional was further directed in this meeting to file the appropriate report/application with this Hon'ble Adjudicating Authority under Section 112 of the Code, seeking an order under Section 114 read with Section 115 of the Code and making a prayer for granting liberty to the Creditor(s) to file an application under Section 121 of the Code, to initiate the Bankruptcy Process against the Personal Guarantor. The relevant excerpts of the discussion as per the minutes of the meeting of the creditors are reproduced below:

3. To place, consider and discuss the Revised Offer for Repayment Plan received from the Personal Guarantor - Mr. Krishan Dhingra.

Referring to the discussions held in the previous meeting, it was stated by RP that it was discussed that the Lead Bank Indian Overseas Bank is in process of carrying out fresh valuation for the mortgaged properties of the PG, whereupon the final repayment plan of the PG would be considered further. Further, the Personal Guarantor was also given additional time to submit his revised offer for the repayment plan, till 31.03.2025. Pursuant to which, the revised offer for repayment plan, for Rs. 4.65 crores was received from the PG - Mr. Krishan Dhingra, against the earlier offered amount in the repayment plan for Rs.4.50 Crores against release of his two mortgaged properties. The revised offer for repayment plan was received from the PG

on 31.03.2025 and was forwarded by RP to the Creditors on the same day, for their consideration. The summary of the revised offer for Repayment Plan was briefed as under:

- *Total Amt. of Rs.4.65 Crores shall be paid under the Repayment Plan, which shall be raised from the friends and relatives, by the personal guarantor and shall be paid to the Creditors, within a period of 6 months.*
- *Out of the above-mentioned amount of Rs.4.65 Crores, Rs.75 Lakhs shall be paid by the personal guarantor within 10 days of the approval of the repayment plan by the Creditors, in "No Lien Account"*
- *Another Rs. 41.25 Lakhs shall be paid within 7 days of the approval the repayment plan by Hon'ble NCLT in "No Lien Account" and balance amount shall be paid within a period of 6 months from the date of approval of repayment plan by Hon'ble NCLT.*
- *Creditors shall release the two properties of the personal guarantor, which have been mortgaged by the guarantor with the Creditors and the personal guarantor shall be discharged from all the obligations of the personal guarantee executed by him.*

Accordingly, the RP requested the Creditors to share their views on the revised offer for repayment plan submitted by the PG – Mr. Krishan Dhingra for taking forward the process. To which the representative of Indian Overseas Bank (Lead Bank of the Consortium) stated that the revised offer for repayment plan has been discussed internally with their competent authorities and the offer amount is significantly lower than the total amount due (Rs.3,527 Cr. approx.), therefore the repayment plan is not feasible and not commercially viable. Similar views were given by the representatives of other Creditors. To which the Personal Guarantor stated that if the difference between the offered amount and their expected amount is less, then he may consider increasing the offer amount by another Rs.15-20 Lakhs. He further emphasized that as per him, the repayment plan amount offered is much higher than realizable value of his mortgaged assets in its present form, as multiple efforts/auctions conducted by the Creditors have been unsuccessful.

However, it was discussed between the Creditors that since the Repayment Plan is based on the release of mortgaged properties of the Personal Guarantor by all the Banks (members of Consortium), upon payment of offered amount, therefore the same is conditional and non-implementable as Indian Overseas Bank and Union Bank of India (representing 38.23% of the Creditors) have not agreed to relinquish their charge on the mortgaged properties of the Personal Guarantor, so the repayment plan is not feasible and not commercially viable. Hence, after detailed discussion amongst all the Creditors regarding the fate of the repayment plan, it was decided that the repayment plan is conditional, not feasible and not commercially viable, therefore there is no rationale to consider the same and the same was unanimously rejected by the Creditors in the meeting itself.

The RP was advised to file the appropriate report / application with Hon'ble NCLT under Section 112 of the Code, seeking order under Section 114 read with Section 115 of the Code and making prayer for granting liberty to the Creditor(s) to file application under Section 121 of the Code, to initiate Bankruptcy Process against the Personal Guarantor.

The same was taken note of.

- 12.** The CoC has unanimously rejected the repayment plan and has prayed to reject the repayment plan in accordance with Sec 114(1) of the IBC. Sec 114(1) of the IBC, 2016 reads thus:

Section 114: Order of Adjudicating Authority on repayment plan.

114. (1) 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:

Provided that where a meeting of creditors is not summoned, the Adjudicating Authority shall pass an order on the basis of the report prepared by the resolution professional under section 106.

- 13.** Sub-Section (2) of Section 115 provides that where the Adjudicating Authority reject the Repayment Plan under Section 115, Debtor and Creditor shall be entitled to file an Application for Bankruptcy under Chapter IV. Thus, the entitlement of the Creditor to file an Application for Bankruptcy under Chapter IV flows from the statutory scheme under Section 115(2).

"115: Effect of order of Adjudicating Authority on repayment plan:

(2) 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.

- 14.** We have perused the report of the Resolution Professional prepared under Section 112 of the Code. The creditors have proceeded to reject the repayment plan as recorded in the minutes of the 3rd CoC meeting.
- 15.** Further, there is no substantial material adduced before us in terms of which the report of the RP may be disputed or denied. In the wake of it, we approve the report of the RP, giving liberty to the debtor and creditors to proceed further in accordance with Section 121 of the Code.
- 16.** As can be seen from the provisions of IBC, 2016, particularly Section 115(2) r/w 121, thereof, in the event of rejection of the repayment plan or there being no repayment plan submitted by the debtor/PG, an application for bankruptcy of the Debtor to AA can be made., and in terms of the provisions of Section 115(2) of IBC, 2016, on rejection of the repayment plan under Section 114, the debtor and the creditor shall be entitled to file an application for bankruptcy under Chapter IV.

ORDER

- i. The report of the RP in terms of Sec 112 is taken on record.
- ii. Accordingly, in view of the repayment plan having been rejected by the committee of creditors, the repayment plan is rejected.
- iii. The Creditors and debtors are entitled to file an application for Bankruptcy as per Section 115(2) of IBC, 2016, read with Section 121 of IBC, 2016 under Chapter IV

- iv. The moratorium that commenced pursuant to Section 101 of IBC, 2016, ceases to have effect from the date of this order.
- v. The RP stands discharged, and he is entitled to claim RP costs from the stakeholders.
- vi. This application, I.A. No. 2194 of 2025, is allowed and disposed of. The debtor/creditors are entitled to proceed thereafter under Section 122 /123 under the provisions of the Code.
- vii. The registry is directed to send a copy of this order passed by the AA to the Insolvency and Bankruptcy Board of India, for the purpose of recording an entry in the register referred to in Section 196 of IBC, 2016.
- viii. This file will be consigned to record storage (current).

Sd/-

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

Sd/-

SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)