IN THE NATIONAL COMPANY LAW TRIBUNAL

SPECIAL BENCH AT INDORE

ITEM No.16

IA/58(MP)2022
in
[CP(IB) 39 of 2021]

Order under Section 98 IBC, 2016

IN THE MATTER OF:

Jatin Rajpal **........Applicant**

V/s

State Bank of India and Anr **........Respondent**

Coram:

Mohan P. Tiwari, Hon’ble Member(J)
Sanjeev Sharma, Hon’ble Member(T)

ORDER

09/10/2025

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

Sd/- Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

MOHAN P. TIWARI
MEMBER (JUDICIAL)

Neeraj

THE NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH AT INDORE

IA No 58 of 2022

in

CP(IB)39/2021

[An application under Section 98 of the Insolvency and Bankruptcy Code, 2016]

In the matter of : Jatin Rajpal vs. State Bank of India and anr.

Mr. Jatin Rajpal
10, Palsikar Colony, Indore,
(M.P.) - 452001.

…...... Applicant

Versus

1. **State Bank of India**
Stressed Asset Management Branch,
1 Floor, SBI Building, Plot No.1,
Arera Hills, Bhopal (M.P.)- 462011.

….…Respondent No. 1

2. Mr. Sajjan Kumar Dokania
Resolution Professional,
25, Globus Fab City, Kolar Road,
Chunabhatti, Bhopal-462016.

….....Respondent No. 2

<u>C O R A M</u>:

SH. MOHAN P. TIWARI, HON'BLE MEMBER (J)
SH. SANJEEV SHARMA, HON'BLE MEMBER (T)

Appearance:

For the Applicant : Mr. Nipun Singhvi, Adv.

For the PG : Ms. Soumya Dharwa Adv.

Order

Delivered on: 09.10.2025

1. This Interlocutory Application No. 58 of 2022 has been filed under Section 98 of the Insolvency and Bankruptcy Code, 2016 ("Code") by the personal guarantor/applicant seeking replacement of the Resolution Professional appointed by this Tribunal and for setting aside of the Report dated 19.09.2021 filed under Section 99 of the Code.

2. By order dated 03.09.2021 in CP (IB) No. 39/2021, this Tribunal admitted the application of State Bank of India under Section 95, declared an interim moratorium under Section 96, and appointed Respondent No. 2 as Resolution Professional under Section 97 to submit his report under Section 99. Pursuant thereto, the RP submitted report dated 19.09.2021 recording the claim of the financial creditor at Rs. 23,70,25,755/-.

3. The Applicant contends that the report was filed by the Resolution professional without Proper enquiry contemplated under Section 99; that objections regarding interest and alleged duplicate claims and parallel proceedings against other guarantors were ignored.

4. The Applicant also submitted that since the RP is empanelled with the State Bank of India and handling its matters, he cannot act independently. On this ground, it was argued that there is a reasonable apprehension of bias and he should be replaced.

5. Reliance was placed on the judgement of the hon'ble NCLAT in **Ravi Ajit Kulkarni v. State Bank of India, company appeal (AT) (insolvency) nos. 316 & 317 of 2021,** to submit that RP is bound to

conduct enquiry under section 99 by considering the explanation of the personal guarantor and that failure to do so makes the report invalid.

6. The respondents submit that the IA is misleading and suppresses material facts; that the RP was appointed in accordance with Section 97 and has filed his report within time; that no disciplinary proceedings are pending under Section 217/220 of the Code; and that mere empanelment with a financial creditor does not create a conflict of interest.

7. Reliance is placed on Regulation 4 of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 and on the judgement of ***State Bank of India v. Ram Dev International Ltd., Company Appeal (AT) (Insolvency) No. 302 of 2018.,*** which held that empanelment with a financial creditor does not amount to disqualification.

8. The Respondent also relied on the judgement by the Hon'ble NCLAT in ***Ravi Ajit Kulkarni v. state bank of india, company appeal (AT) (insolvency) nos. 316 & 317 of 2021***, holding that the mere empanelment with a financial creditor or bald allegations of bias, in the absence of disciplinary proceedings or statutory disqualification, cannot furnish a ground for replacement of the "Resolution professional".

9. We have considered the submissions and perused the record. The Applicant's grievance is that RP has acted mechanically, ignored objections, and being empanelled with SBI, is biased.

10. The Respondents has submitted that the RP was validly appointed under Section 97 and has filed his report under Section 99 within the prescribed period. It is not in dispute that no disciplinary proceedings are pending. The Hon'ble NCLAT in ***Ram Dev International (supra)*** and ***Ravi Ajit***

***Kulkarni* (supra)** has held that empanelment with a financial creditor, by itself, is not a ground for disqualification.

11. We note that both sides have relied on the judgement of the Hon'ble NCLAT in ***Ravi Ajit Kulkarni v. State bank of India company appeal (AT) (insolvency) nos. 316 & 317 of 2021***., the law explained therein, and also in in ***Ram Dev International (supra),*** is that Empanelment with a Financial creditor by itself cannot be treated as disqualification. Replacement of an RP Can be ordered only if disciplinary proceedings are pending or there is some statutory disqualification.

12. In the present case, it is not in dispute that no disciplinary proceedings Are pending against the RP. No material has been placed to show misconduct or any legal disqualification.

13. In view of the above, no sufficient ground is made out for replacement of the Resolution Professional or for setting aside of the report dated 19.09.2021.

14. Accordingly, **IA No. 58 of 2022 is dismissed.**

-SD-	**-SD-**
SANJEEV SHARMA **MEMBER (TECHNICAL)**	**MOHAN P. TIWARI** **MEMBER (JUDICIAL)**

Deepti-LRA