

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**DIVISION BENCH**  
**COURT – 1**

**ITEM No.301-** IA/958(AHM)2022 in C.P.(IB)/175(AHM)2021 With

**ITEM No.302-**IA/959(AHM)2022 in C.P.(IB)/168(AHM)2021

**ITEM No. 303-** IA/960(AHM)2022 in C.P.(IB)/167(AHM)2021

**ITEM No.304-**IA/961(AHM)2022 in C.P.(IB)/165(AHM)2021

**ITEM No. 305-** IA/962(AHM)2022 in C.P.(IB)/166(AHM)2021

**Order Under Section 114 r.w 112 IBC r.w Reg. 19 of IBBI (Insolvency Resolution Process For PG to CDs) Regulations, 2019**

**In the matter of IA/958(AHM)2022 in C.P.(IB)/175(AHM)2021 With**

Sunil Kumar Agarwal RP of Vishal Jayantilal Karia

....Applicant

V/s

Vishal Jayantilal Karia & Ors

....Respondent

**In the matter of : IA/959(AHM)2022 in C.P.(IB)/168(AHM)2021**

Sunil Kumar Agarwal RP of Chetan Jayantilal Karia

....Applicant

Vs

Chetan Jayantilal Karia & Ors

...Respondent

**In the matter of : IA/960(AHM)2022 in C.P.(IB)/167(AHM)2021**

Sunil Kumar Agarwal RP of Pritesh Jayantilal Karia

....Applicant

Vs

Pritesh Jayantilal Karia & Ors

...Respondent

**In the matter of : IA/961(AHM)2022 in C.P.(IB)/165(AHM)2021**

Sunil Kumar Agarwal RP of Bakul Jayantilal Karia

....Applicant

Vs

Bakul Jayantilal Karia & Ors

....Respondent

**In the matter of : IA/962(AHM)2022 in C.P.(IB)/166(AHM)2021**

Sunil Kumar Agarwal RP of Pradip Jayantilal Karia

....Applicant

Vs

Pradip Jayantilal Karia & Ors

....Respondent

**Order delivered on: 20/03/2024**

**Coram:**

Mr. Shammi Khan, Hon'ble Member (J)

Mr. Sameer Kakar, Hon'ble Member (T)

**PRESENT:**

For the Applicant :

For the Respondent :

**ORDER**

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

-SD-

**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

-SD-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY  
THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – I, AHMEDABAD**

**IA/958(AHM)2022 in CP(IB)/175(AHM)2021  
WITH  
IA/959(AHM)2022 in CP(IB)/168(AHM)2021  
IA/960(AHM)2022 in CP(IB)/167(AHM)2021  
IA/961(AHM)2022 in CP(IB)/165(AHM)2021  
IA/962(AHM)2022 in CP(IB)/166(AHM)2021**

**In the matter of :**

**(1.) IA/958(AHM)2022 in CP(IB)/175(AHM)2021**

*[An application filed under Section 114 r.w. Section 112 of the code a.w. Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 for approval of Repayment Plan submitted by Guarantors]*

**Mr. Sunil Kumar Agarwal**

**Resolution Professional of Vishal Rameshbhai Karia,**

Personal Guarantor of Pradip Overseas Limited

Registration No. IBBI/IPA-001/IP-P01390/2018-19/12178

Having address at:

Tower 6/603, Devnandan Heights,  
Near Podar School, New CG Road,  
Chandkheda, Ahmedabad-382424

**VERSUS**

**1. Vishal Rameshbhai Karia**

Having address at:

14A, Paradise Park Society,  
Opp. Shantinagar Bus Stand,  
Old Wadaj, Ahmedabad, Gujarat, 380013.

**2. Invent Assets Securitisation & Reconstruction Pvt.**

**Ltd.** Having Address at:

'Bakhtawar', Suite B, Ground Floor,

Backbay Reclamation Scheme,  
229, Nariman Point, Mumbai – 400021.

3. **Standard Chartered Bank**

Having Address at:  
Stressed Assets Group,  
3 A Floor, Plot No C-38&39,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051.

4. **State Bank of India**

Having Address at:  
Stressed Assets Management Branch,  
2nd Floor, Paramsiddhi Complex,  
Opp. V.S. Hospital, Near Ellisbridge,  
Ahmedabad-380006.

5. **Phoenix ARC Pvt Ltd**

Trustee of Phoenix Trust FY 14-2  
Having address at:  
5th Floor, Dani Corporate Park,  
158, CST Road, Kalina,  
Santacruz (E) Mumbai-400098

**(2.) IA/959(AHM)2022 in CP(IB)/168(AHM)2021**

*[An application filed under Section 114 r.w. Section 112 of the code a.w. Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 for approval of Repayment Plan submitted by Guarantors]*

**Mr. Sunil Kumar Agarwal**

**Resolution Professional of Chetan Jayantilal Karia,**

Personal Guarantor of Pradip Overseas Limited  
Registration No. IBBI/IPA-001/IP-P01390/2018-19/12178

Having address at:

Tower 6/603, Devnandan Heights,  
Near Podar School, New CG Road,  
Chandkheda, Ahmedabad-382424.

**VERSUS**

1. **Chetan Jayantilal Karia**  
Having address at:  
21, Raopura Co. Op. Housing Society Ltd,  
B/h Memnagar Fire Station, Memnagar,  
Ahmedabad, Gujarat-380009.
2. **Invent Assets Securitisation & Reconstruction Pvt. Ltd.** Having Address at:  
'Bakhtawar', Suite B, Ground Floor,  
Backbay Reclamation Scheme,  
229, Nariman Point, Mumbai – 400021.
3. **Phoenix Asset Reconstruction Company Private Limited**  
Trustee of Phoenix Trust FY 14-2  
Having address at:  
5th Floor, Dani Corporate Park,  
158, CST Road, Kalina,  
Santacruz (E) Mumbai-400098.
4. **Standard Chartered Bank**  
Having Address at:  
Stressed Assets Group,  
3 A Floor, Plot No C-38&39,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051.
5. **State Bank of India**  
Having Address at:  
Stressed Assets Management Branch,  
2nd Floor, Paramsiddhi Complex,  
Opp. V.S. Hospital, Near Ellisbridge,  
Ahmedabad-380006.

**(3.) IA/960(AHM)2022 in CP(IB)/ 167(AHM)2021**

*[An application filed under Section 114 r.w. Section 112 of the code a.w. Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 for approval of Repayment Plan submitted by Guarantors]*

**Mr. Sunil Kumar Agarwal**  
**Resolution Professional of Pritesh Jayantilal Karia,**  
Personal Guarantor of Pradip Overseas Limited  
Registration No. IBBI/IPA-001/IP-P01390/2018-19/12178  
Having address at:  
Tower 6/603, Devnandan Heights,  
Near Podar School, New CG Road,  
Chandkheda, Ahmedabad-382424.

**VERSUS**

1. **Pritesh Jayantilal Karia**  
Having address at:  
12, Paradise Park Society,  
Opp. Shantinagar Bus Stand,  
Old Wadaj, Ahmedabad,  
Gujrart-380013.
2. **Invent Assets Securitisation & Reconstruction Pvt. Ltd.** Having Address at:  
'Bakhtawar', Suite B, Ground Floor,  
Backbay Reclamation Scheme,  
229, Nariman Point, Mumbai – 400021.
3. **Standard Chartered Bank**  
Having Address at:  
Stressed Assets Group,  
3 A Floor, Plot No C-38&39,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051.
4. **State Bank of India**  
Having Address at:  
Stressed Assets Management Branch,  
2nd Floor, Paramsiddhi Complex,  
Opp. V.S. Hospital, Near Ellisbridge,  
Ahmedabad-380006.

**(4.) IA/961(AHM)2022 in CP(IB)/165(AHM)2021**

*[An application filed under Section 114 r.w. Section 112 of the code a.w. Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 for approval of Repayment Plan submitted by Guarantors]*

**Mr. Sunil Kumar Agarwal**

**Resolution Professional of Bakul Jayantilal Karia,**

Personal Guarantor of Pradip Overseas Limited

Registration No. IBBI/IPA-001/IP-P01390/2018-19/12178

Having address at:

Tower 6/603, Devnandan Heights,

Near Podar School, New CG Road,

Chandkheda, Ahmedabad-382424.

## **VERSUS**

1. **Bakul Jayantilal Karia**

Having address at:

14, Paradise Park Society,

Opp. Shantinagar Bus Stand,

Old Wadaj, Ahmedabad,

Gujarat-380013.

2. **Invent Assets Securitisation & Reconstruction Pvt.**

**Ltd.** Having Address at:

'Bakhtawar', Suite B, Ground Floor,

Backbay Reclamation Scheme,

229, Nariman Point, Mumbai – 400021.

3. **Standard Chartered Bank**

Having Address at:

Stressed Assets Group,

3 A Floor, Plot No C-38&39,

G Block, Bandra Kurla Complex,

Bandra (E), Mumbai 400051.

4. **State Bank of India**

Having Address at:

Stressed Assets Management Branch,

2nd Floor, Paramsiddhi Complex,

Opp. V.S. Hospital, Near Ellisbridge,

Ahmedabad-380006.

**(5.) IA/962(AHM)2022 in CP(IB)/166(AHM)2021**

*[An application filed under Section 114 r.w. Section 112 of the code a.w. Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 for approval of Repayment Plan submitted by Guarantors]*

**Mr. Sunil Kumar Agarwal**

**Resolution Professional of Pradip Jayantilal Karia,**

Personal Guarantor of Pradip Overseas Limited

Registration No. IBBI/IPA-001/IP-P01390/2018-19/12178

Having address at:

Tower 6/603, Devnandan Heights,

Near Podar School, New CG Road,

Chandkheda, Ahmedabad-382424.

**VERSUS**

1. **Pradip Jayantilal Karia**

Having address at:

11, Nilima Park Society,

Vijay Char Rasta, Navrangpura,

Ahmedabad, Gujarat-380009.

2. **Invent Assets Securitisation & Reconstruction Pvt.**

**Ltd.** Having Address at:

'Bakhtawar', Suite B, Ground Floor,

Backbay Reclamation Scheme,

229, Nariman Point, Mumbai – 400021.

3. **Phoenix Asset Reconstruction Company Private Limited**

Trustee of Phoenix Trust FY 14-2

Having address at:

5th Floor, Dani Corporate Park,

158, CST Road, Kalina,

Santacruz (E) Mumbai-400098.

4. **Standard Chartered Bank**

Having Address at:

Stressed Assets Group,  
3 A Floor, Plot No C-38&39,  
G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai 400051.

5. **State Bank of India**

Having Address at:  
Stressed Assets Management Branch,  
2nd Floor, Paramsiddhi Complex,  
Opp. V.S. Hospital, Near Ellisbridge,  
Ahmedabad-380006.

**Order Pronounced on 20.03.2024**

**CORAM:**

**SH. SHAMMI KHAN, MEMBER (JUDICIAL)**

**SH. SAMEER KAKAR, MEMBER (TECHNICAL)**

**Appearance:**

For the Applicant/RP : Mr. Nipun Singhvi, Adv. a/w. Mr.  
Mayur Jugtawat, Adv., Mr. Vishal Dave,  
Adv.  
For the RP : Mr. Sunil. K. Agarwal, RP in person  
For the Respondents : Mr. Ravi Pahwa, Adv. a.w. Mr. Hiten  
Parikh, PCA  
For the Invent ARC : Ms. Kalpana Singh, Vice President

**COMMON ORDER**

**[Per: Bench]**

1. The above-mentioned applications are filed by Applicant/Mr. Sunil Kumar Agarwal who is the Resolution Professional of:- (i) Mr. Vishal Rameshbhai Karia, (hereinafter referred to as "**Personal Guarantor -1**"), (ii) Mr. Chetan Jayantilal Karia (hereinafter referred to as

**“Personal Guarantor-2”**), (iii) Mr. Pritesh Jayantilal Karia (hereinafter referred to as **“Personal Guarantor-3”**), (iv) Mr. Bakul Jayantilal Karia (hereinafter referred to as **“Personal Guarantor-4”**), and (v) Mr. Pradip Jayantilal Karia (hereinafter referred to as **“Personal Guarantor-5”**) all the above collectively, Personal Guarantors of Pradip Overseas Limited, under Section 114 read with Section 112 of the Code a.w. Regulation 19 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 seeking approval of Repayment Plan submitted by Guarantors.

### **PRAYERS**

2. The prayers made by the Applicant in all IAs are similar which are as under: -
  - I. *Your Lordship may pleased to allow the present application;*
  - II. *Your Lordship may be pleased to approve repayment plan of the Personal Guarantors under Section 114 and be further pleased to order and declare that such approved Repayment Plan will give effect as per Section 115 of the Insolvency and Bankruptcy Code, 2016; and*
  - III. *Your Lordship may be pleased to pass common order for all the personal guarantors of Pradip overseas Limited i.e., Mr. Bakul*

*Jayantilal Karia (CP (IB) 165 of 2021), Mr. Pradip Jayantilal Karia (CP (IB) NO. 166 of 2021), Mr. Pritesh Jayatilal Karia (CP (IB) 167 of 2021), Mr. Chetan Jayantilal Karia (CP (IB) 168 of 2021), Mr. Vishal Ramesh Karia (CP (IB) 175 of 2021) in view of consolidated repayment plan submitted by them.*

IV. *Your Lordship may be pleased to grant any other relief as may deem fit in the interest of justice*

## **FACTS**

3. The brief facts of the IAs are as follows:-

- i. This Adjudicating Authority vide its order dated 05.10.2021 admitted the application filed under Section 95 of the Code against Personal Guarantors and forwarded the name of IRP as suggested by the Financial Creditor (“SBI”) to the IBBI.
- ii. Thereafter, the insolvency proceedings were initiated against the Personal Guarantors under Section 100 of the Code vide order of this Adjudicating Authority dated 27.04.2022 against all the Personal Guarantors (1 to 5).
- iii. The brief of dates and events of the present case are under:-

**The Details of Process is as under:**

SN	Particulars	Remarks
1	Name of Personal Guarantor	Vishal Rameshbhai Karia
2	Name of Corporate Debtor	M/s Pradip Overseas Ltd
3	Date of Appointment of RP u/s 97	05-10-2021
4	Date of submission of Report u/s 99	04-12-2021
5	Date of admission of application u/s 100	27-04-2022
6	Date of Public Announcement u/s 102	30-04-2022
7	Date of preparation of list of creditors u/s 104	30-05-2022
8	Date of submission of report u/s 106	13-06-2022
9	Date of First meeting of Creditors	<del>30-06-2022</del> 06.07.22 P
10	Date of Second meeting of Creditors	21-07-2022
11	Date of Third meeting of Creditors	06-09-2022
12	Date of approval of repayment plan by Creditors	11-10-2022
13	Date of expiry of 120 Days from Resolution Process commencement date	26-08-2022
14	Date of order of extending period of Resolution Process	05-09-2022
15	Date of expiry of extended period of Resolution Process	26-10-2022

IV. The Applicant has conducted 3 meetings of creditors.

The details of the creditor's meeting are as follows:-

Date	Event	Annexure
06.07.2022	1 <sup>st</sup> Meeting of creditors	Annexure-C
21.07.2022	2 <sup>nd</sup> Meeting of creditors	Annexure-D
07.09.2022	3 <sup>rd</sup> Meeting of creditors	Annexure-F

V. The revised repayment plan dated 27.07.202 was put to voting during 3<sup>rd</sup> meeting of creditors held on 07.09.2022. The said revised repayment plan was

approved with 100% voting percentage (present and voting) in favour of the plan. However, SBI (holding 6.08% voting share) sent an email dated 20.10.2022 dissenting the repayment plan. A copy of voting sheet is annexed in the petition as Annexure-G at page no. 67. The email of the SBI dissenting repayment plan is also attached with the applications.

VI. The details of the admitted claims of creditors are as under:-

Sr. No.	Name of FC	Amount Admitted As on 27.04.2022	Amount Revised in view of payment receivable as per the resolution plan	Net Outstanding From PG	% Share
1.	INVENT	2719.49	79.67	2639.82	87.57
2.	SB	188.72	5.88	182.84	6.08
3.	SCB	110.99	0.00	110.99	3.57
4.	Phoenix Arc	86.22	2.38	83.84	2.78
	<b>Total Admitted Claim</b>	<b>3105.42</b>	<b>87.93</b>	<b>3017.50</b>	<b>100.00</b>

The claimants and amounts claimed are same for all the Personal Guarantors being Personal Guarantors Nos. 1 to 5.

VII. The details of distribution as per the repayment plan

are as under:-

(In Crores)

<b>PARTICULAR</b>	<b>Admitted Amount</b>	<b>Amount proposed (in Rs.)</b>	<b>Section of Repayment Plan</b>
<i>Insolvency Resolution Process Cost</i>	0.42	0.42 (100%)	<i>Section 2(E) of the Repayment Plan</i>
<i>Payment to the Secured Financial Creditors</i>	110.99	0.41	<i>Section 2(C) of the Repayment Plan</i>
<i>- Standard Chartered Bank</i>	182.84	0.67	
<i>- State Bank of India</i>	2639.82	9.70	
<i>- Invent ARC</i>			
<b>Total</b>	<b>2933.66</b>	<b>10.78 (0.36%)</b>	
<i>Payment to the Unsecured Financial Creditors Phoenix ARC</i>	83.84	0.31 (0.36%)	<i>Section 2(C) of the Repayment Plan</i>
<b>TOTAL AMOUNT</b>	<b>3017.50 Crores</b>	<b>11.51 Crores</b>	-

### **Key Features of Plan**

#### **VIII. Term of Repayment Plan**

It is stated that the Term of Repayment of Plan shall last till the period of 15 months of approval of Repayment Plan by this Adjudicating Authority which is mentioned at Section 2(C) of the Resolution Plan at Page no 79/80 of applications as under:-

**(C) Term of Repayment Plan and Implementation Schedule:**

The proposed schedule of repayment of the amount of Rs.11.51 Crores offered as above is now proposed to be made in 15 months from the effective date, as under:

Sr. No.	Repayment Terms and Implementation	Amount to be repaid (Rs. in Cr)
1	Upfront payment (Including Insolvency Resolution Process Cost) – within 30 days of approval of plan by the Hon'ble NCLT	1.00
2	Within a period of 3 months of approval of Repayment Plan by Hon'ble NCLT	2.10
3	Within a period of 6 months of approval of Repayment Plan by Hon'ble NCLT	2.10
4	Within a period of 9 months of approval of Repayment Plan by Hon'ble NCLT	2.10
5	Within a period of 12 months of approval of Repayment Plan by Hon'ble NCLT	2.10
6.	Within a period of 15 months of approval of Repayment Plan by Hon'ble NCLT	2.11
<b>Total Repayment Amount</b>		<b>11.51</b>

Thus, total amount of Rs. 11.51 Crore is being offered which shall be paid in a period of 15 months from the date of approval of plan by the Hon'ble NCLT Ahmedabad Bench. The promoters' endeavor will be to accelerate the above payment matching with the sale of properties as specified at Para 3.3 of our plan so that the repayment can be completed earlier than what is envisaged above.



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5/5/21

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5/5/21

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Further, it is proposed that in the event of maximum 30 days' delay for any unforeseen circumstance, granting grace period shall be within the jurisdiction of implementation committee to waive without declaring/considering default.

For removal of doubts, it is clarified that as and when the properties proposed to be sold as mentioned under Para-D of the Plan are sold by the Implementation and monitoring Committee, the sale proceeds realised against the sale of the said properties will be deposited with the RP in the given designated account. Such sale proceeds so deposited shall be treated as payment against the respective instalments which are falling due as per the above table so that on the respective due dates the balance unpaid amount of the instalment as on a particular due date will be paid by the PGs.

#### **IX. Sources of Funds, Fair Value and Distress Value**

It is stated that the guarantors propose to raise the funds from their past savings including their family members to tune of Rs. 1.74 crores and further intend to either sell their mortgaged properties or take personal loan against the following assets which have been mortgaged with the Financial Creditors. The Fair Value as per the Valuation Report is Rs.10.90 Crores and Distress Value is Rs.7.59 Crores. Further, the details of Sources of Funds along with Fair Value and Distress Value which are mentioned in Section 2(D) of the Resolution Plan are as under:-

(D) Source of Fund for Implementation of Repayment Plan and payment of Resolution Process Costs:

As far as Repayment Plan of Creditors is suggested, the sources of funds that we propose to raise for meeting the above obligations are indicated below:

- From the past savings of the promoters/guarantors including their family members – Rs. 1.74 crores.
- The promoters/Guarantors intend to either sell their mortgaged properties or take personal loan against the following assets which have been mortgaged with the Financial Creditors:

Sr. No.	Description of the asset	Name of the owner	Fair Value as per Valuation Report (INR in Crs.)	Distress Value as per Valuation Report (INR In Crs.)
1	Bungalow No. 14-A Ground Floor, Paradise Park, Behind St. Larn Hotel, Off. Ashram Road, Usmanpura, Ahmedabad	Bakulbhai Jayantilal Karia	1.35	0.95



*[Handwritten signatures and notes in blue ink, including the number 8]*

2	Bungalow No. 14-A First Floor, Paradise Park, Behind St. Larn Hotel, Off. Ashram Road, Usmanpura, Ahmedabad -	Rameshkumar Jayantilal Karia's legal heir Mr. Vishal Karia	1.35	0.95
-3	Bungalow No. 14-B, Paradise Park, Behind St. Larn Hotel, Off. Ashram Road, Usmanpura, Ahmedabad -	Pradipkumar Jayantilal Karia	3.02	2.10
4	City Survey No. 2666 & 2684, Ramkada Market, Pankornaka, Gandhi Road, Kalupur, Ahmedabad - 380 001.	Shri Manjulaben Jayantilal Karia (Demise), Shri Pradipkumar Jayantilal Karia, Shri Chetankumar Jayantilal Karia, Shri Rameshbhai J. Karia (Demise), Shri Bakulkumar J. Karia, Shri Priteshkumar J. Karia	3.30	2.30
5	Office No. A-601, Sixth Floor, Narnarayan Complex, Near Swastik Cross Road, Navrangpura, Ahmedabad	M/s. Pradip Export	0.89	0.60



*[Handwritten signature]*

*[Handwritten signatures and notes]*  
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 NAW, RUMORA

6	Office No. A-603, Sixth Floor, Narnarayan Complex, Opp. Ganesh Plaza, Near Swastik Cross Road, Navrangpura, Ahmedabad - 380 009	M/s. Pradip Export	0.79	0.55
7	Land at Laxmanpura (Portion of only 5 PGs out of 20 Owners)*		0.20	0.14
	<b>Total</b>		<b>10.90</b> <b>Crores</b>	<b>7.59 crores</b>

\*Note: As per PGs the said land at Sr. No. 7 is disputed, not salable and hence has no realizable value.

- The above fair and distressed sales realisation prices have been indicated based on the valuations obtained from IBBI registered valuer of the above properties. It is submitted that as and when the applicants find buyers for the above properties at the average of both the above values RP/Financial Creditors will be informed about the proposed transaction details. If the agreed sales price of the respective properties is higher than the average of the values indicated above (Or in case of finding buyer for lesser value but deposits average value to the creditors of that particular property as mentioned above), the PGs should not be required to seek any specific approval for the proposed sale and it should be regarded as approved in accordance with this Plan. If however, the proposed selling price of any property in the above table is below the average of indicated values, then the PGs will seek specific prior approval of the RP/Financial Creditors before entering into the firm Arrangement for the sale.



*[Handwritten signature]*

- The Financial creditors shall release their charges on the above respective properties subject to a condition that the direct payment against sale / mortgage of the said properties will be made by the purchaser/lender of the personal loans to the respective financial

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creditors in proportion of their claims. As we understand RP may execute/register the document subject to the jurisprudence evolved going forward.

- If the PGs decide not to sell any of the above properties then the charge of the Financial Creditors on the said properties will continue to remain available and the same may be released only after the entire settlement amount has been paid in full by the PGs.
- The PGs will also resort to personal borrowings from their friends and relatives to bridge the shortfall –, to ensure that the installments as envisaged above are paid by the guarantors as per the indicated schedule.

#### X. **Monitoring Committee**

It is stated that the Monitoring Committee shall be constituted, comprising of two representatives of Financial creditors including one Representative of the Lead Financial Creditor i.e. INVENT, One Representative of Resolution Applicant and the Resolution Professional, to supervise the Implementation of Plan which is mentioned in Section 2(F) of the Resolution Plan as under:-

**(F) Validity, Term, Supervision and Implementation of the Repayment Plan:**

The Validity of the Repayment Plan shall commence on the Date of Submission of the Repayment Plan to the Resolution Professional and shall remain valid unless there is notification in this regard. Notwithstanding anything contained in this Repayment Plan, if any part of this Repayment Plan is approved by the MOC; or (ii) if approved by the Adjudicating Authority with any variance, then in the form and substance acceptable to the MOC and the Applicant. Upon approval of the Repayment Plan by the Adjudicating Authority, this Repayment Plan shall ipso facto from part of the Adjudicating Authority order approving the Repayment Plan.

Immediately on approval of this Repayment Plan by Adjudicating Authority, an Implementation and Monitoring Committee shall be constituted, comprising of two Representatives of Financial creditors including one Representative of the Lead Financial Creditor i.e. INVENT, One Representative of Resolution Applicant and the Resolution Professional, to supervise the Implementation of Plan. All major business decisions impacting the interest of Secured financial creditors shall be made by said committee in consultation with Resolution Applicant only. Examples of major decision include but not limited to, sale of assets, assuming of non-trade liabilities etc. Implementation and Monitoring Committee shall decide about remuneration payable to the Resolution Professional, the frequency of reporting and meetings to have effective implementation and supervision of Repayment Plan. It is proposed that Applicant will bear the cost of implementation and Monitoring Committee. This committee will be dissolved upon completion of Repayment Schedule.



*[Handwritten signatures and initials over the text, including 'Srinivas', 'Vijay', and 'NARAYAN' with the number '12' next to the last signature.]*

One of the guarantors namely Mr. Bakul Karia is the proprietor of M/s Ashita Enterprise and currently he is managing the business. The said business is in the nature of retail hosiery small business with turnover of less than Rs. 40 lacs during the preceding three financial years. In addition to this, the business is having very thin margin say less than 1%.

As per Regulation 17(e) of the IBBI Regulations, 2019, the business shall be run in the same manner as it is being conducted Pre Insolvency Resolution Process. Periodical MIS Reports in relation to the business shall be handed over in consultation with the Resolution Professional on regular basis.

For the purpose of smooth running of PIRP Process and also during implementation and monitoring period for receiving and distributing the amount of PIRP Cost and Repayment amount as envisaged anywhere in the repayment plan, RP will open an Escrow account to facilitate operations.

## XI. Compliance Checklist

The RP has filed a compliance checklist briefing the insolvency process of personal guarantor attached as Annexure-I. A scanned copy of the same is as under:-

### Compliance under the Code and Regulations

Sr No.	Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Repayment Plan	Compliance (Yes / No)
1	Sec. 105 (1)	The debtor shall prepare, in consultation with the resolution professional, a repayment plan containing a proposal to the creditors for restructuring of his debts or affairs.	Point No.2 Second Para at Page No. 3	Yes
2	Sec. 105(2)	The repayment plan may authorise or require the resolution professional to -  (a) carry on the debtor's business or trade on his behalf or in his name; or  (b) realise the assets of the debtor; or  (c) administer or dispose of any funds of the debtor.	a) Point 2 (F) Third Last Para on Page No. 13  b) Point 2 (C) Last Para on Page No. 8  c) Point 2 (C) Last Para on Page No. 8	Yes
3	Sec. 105(3)	The repayment plan shall include the following, namely: -  (a ) justification for preparation of such repayment plan and reasons on the basis of which the creditors may agree upon the plan;  (b) provision for payment of fee to the resolution professional;	a) Point 2 (M) on Page No. 18  b) Point 2 (E) on Page No. 11	Yes
4	Reg. 17 (1) (a)	the term of the repayment plan and its implementation schedule, including the amounts to be repaid and dates of repayment to creditors;	Point No. 2 (C) on Page No. 7	Yes
5	Reg. 17 (1) (b)	the source of funds that will be used to pay resolution process costs and that such payment shall be made in priority over any creditor;	Point No. 2 (D) on Page No. 8	Yes

6	Reg. 17 (1) (c)	a minimum budget for the duration of the repayment plan, to cover the reasonable expenses of the guarantor and members of his immediate family to the extent they are dependent on him, provided that at least ten percent of the realisable income of the guarantor shall be utilised for repayment of debts;	Point No. 2(D) on Page No. 8	Yes
7	Reg. 17 (1) (d)	financing required for implementation of the repayment plan;	Point No. 2(D) on Page No. 8	Yes
8	Reg. 17 (1) (e)	if the guarantor has any business, the manner in which it is proposed to be conducted during the course of the repayment plan, and the role of the resolution professional;	Point 2 (F) Third Last Para on Page No. 13	Yes
9	Reg. 17 (1) (f)	the manner in which funds held for the purposes of the repayment plan, invested or otherwise dealt with, pending repayment to creditors;	Point 2 (F) Last Para on Page No. 13	Yes
10	Reg. 17 (1) (g)	the functions which are to be undertaken by the resolution professional, including supervision and implementation of the repayment plan;	Point 2 (F) on Page No. 12	Yes
11	Reg. 17 (1) (h)	variation of onerous terms of a contract or transaction involving the guarantor;	N.A.	N.A.
12	Reg. 17 (1) (i)	the details of excluded assets and excluded debts of the guarantor; and	Point No. 2 (G) on Page No. 13	Yes
13	Reg. 17 (1) (j)	terms and conditions for the discharge of the guarantor	Point No. 2 (C) on Page No. 7	Yes
14	Reg. 17 (2) (a)	transfer or sale of all or part of the assets of the guarantor along with the mode and manner of such sale;	Point No. 2 (H) on Page No. 17	Yes
15	Reg. 17 (2) (b)	administration or disposal of any funds of the guarantor;	Point No. 2 (I) on Page No. 17	Yes

16	Reg. 17 (2) (c)	satisfaction or modification of any security interest;	Point No. 2 (J) on Page No. 17	Yes
17	Reg. 17 (2) (d)	reduction in the amount payable to creditors;	Point No. 2 (C) on Page No. 6	Yes
18	Reg. 17 (2) (e)	curing or waiving of any breach of a debt due from the guarantor;	Point No. 2 (K) on Page No. 17	Yes
19	Reg. 17 (2) (f)	modification in the terms of repayment of any debt due from the guarantor;	Point No. 2 (C) on Page No. 17	Yes
20	Reg. 17 (2) (g)	part of the income of the guarantor to be used for the repayment of the debt, and the manner of calculating the income of the guarantor;	Point No. 2 (L) on Page No. 7	Yes
21	Reg. 17 (2) (h)	the manner in which funds held for the purpose of repayment to creditors, and not so repaid at the end of the repayment plan, are to be dealt with; and	Point No. 2 (O) on Page No. 19	Yes
22	Reg. 17 (2) (i)	such other matters as may be required by the creditors.	Relevant Paras of Repayment Plan	Yes

## XII. Net worth Position of Guarantor including Excluded

## Assets of the Guarantors as on 27.04.2022:-

(G) Net Position of Guarantor including Excluded Assets of the guarantors as on 27.04.2022:

It is pertinent to mention that the guarantors against whom Insolvency Resolution Process commenced are mainly family members and have cohesiveness for submission of the complete repayment plan. It is pertinent to mention that the repayment plan submitted by all the guarantors is based on various aspects that is to say the available net assets with each of the guarantor (excluding the assets stated in IBC Code, 2016), sources of realization of the said assets or sources of borrowings from friends and relatives.

Section 79(14) of the Insolvency and Bankruptcy Code, 2016 provides that "Excluded assets" for the purposes of this part includes—

- (a) unencumbered tools, books, vehicles and other equipment as are necessary to the debtor or bankrupt for his personal use or for the purpose of his employment, business or vocation,
- (b) unencumbered furniture, household equipment and provisions as are necessary for satisfying the basic domestic needs of the bankrupt and his immediate family;
- (c) any unencumbered personal ornaments of such value, as may be prescribed, of the debtor or his immediate family which cannot be parted with, in accordance with religious usage;
- (d) any unencumbered life insurance policy or pension plan taken in the name of debtor or his immediate family; and
- (e) an unencumbered single dwelling unit owned by the debtor of such value as may be prescribed;



*[Handwritten signatures and initials]*

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More so the repayment plan given by the guarantors should be adhered to by them as per the timeline and accordingly a combined repayment plan is prepared by all the guarantors which is submitted hereunder:

(Rs. In Lacs)

Sr. No.	Name of Guarantor	Gross Assets	Less: Assets to be excluded as per IBC Code	Net Assets
1	Pradipkumar Jayantilal Karia	192.61	131.98	60.63
2	Chetankumar Jayantilal Karia	155.57	87.65	67.92
3	Vishal Rameshbhai Karia	105.11	72.73	32.38
4	Bakul Jayantilal Karia	76.73	71.41	5.32
5	Pritesh Jayantilal Karia	52.11	44.29	7.82
Total Value		582.13	408.06	174.07

### XIII. **The Effect of the Repayment Plan**

#### (O) EFFECT OF THE REPAYMENT PLAN

On full implementation of the Repayment Plan as above, the Personal Guarantees given by all the Personal Guarantors shall be released by the Financial Creditors. Similarly the Guarantee of Pradeep Exports shall also be released simultaneously with the release of the Personal Guarantees of the Personal Guarantors.

For this purpose whatever formalities are required to be complied with including filing of the consent terms or execution of release deed or document that might be necessary in this behalf shall be complied with by all the Financial Creditors/RP. Further, upon full payment of the above settlement amount as per this Plan no claims whatsoever shall lie before the Personal Guarantors/ Guarantors and their liabilities shall be assumed to have been discharged in full; and any pending suits for recovery or claims of whatever nature before any court of law/recovery tribunals/appellate authorities shall be deemed to have been withdrawn by the respective Financial Creditors.

### XIV. **The Breach of Repayment Plan by the Personal Guarantors**

**(Q) Breach of Repayment Plan by the Personal Guarantors:**

As per Regulation 20(1) of IBBI Regulations, 2019, If in the opinion of the resolution professional, the guarantor has failed in implementation of the repayment plan, the resolution professional shall, within three days of knowledge of such failure, issue a notice to the guarantor identifying the failure and requiring him, within fifteen days of receipt of the notice, to-

(a) address such failure if it can be addressed, or  
(b) provide an explanation for the failure.

As per Regulation 20(2) of IBBI (IRP for PG to CD) Regulations, 2019, the guarantor, within the period specified under sub-regulation (1), -  
(a) addresses the failure in implementation of the repayment plan; or



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(b) provides a satisfactory explanation for such failure, the resolution professional shall report the failure to creditors within seven days of the date of failure addressed or explanation provided for such failure.

As per Regulation 20(3) of IBBI (IRP for PG to CD) Regulations, 2019, in cases not covered under sub-regulation (2), the resolution professional may apply to the Adjudicating Authority under sub-section (2) of section 116 for directions, if he is of the opinion that the failure will affect the implementation of the repayment plan.

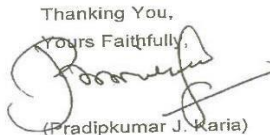
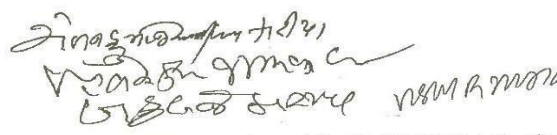
**(R) Non co-operation by Personal Guarantors:**

As per Regulation 22 of IBBI Regulations, 2019, in the event of non-co-operation of the guarantor at any time during the resolution process period or during the implementation of the repayment plan, the resolution professional shall prepare a statement to this effect and file the same with the Adjudicating Authority for appropriate directions.

We hereby request for our Solvency. We will accept the terms and conditions as provided in the whole Process of Corporate Insolvency Resolution Process of Pradip Overseas Limited.

Pursuant to Sub- Section 3(c) of Section 105, we hereby undertake to also attend and honor any other matter which is not known and not specified at this stage. We also request to allow any suitable amendment in repayment plan as and when required.

I hope that the above shall clarify the situation and request you to kindly do the needful.

Thanking You,  
Yours Faithfully,  
  
(Pradipkumar J. Karia)  
  
(For himself and on behalf of other personal guarantors of Pradip Overseas Ltd., viz. Chetankumar J. Karia, Vishal R. Karia, Bakul J. Karia and Pritesh J. Karia)

**XV. The Non-Cooperation by the Personal Guarantors**

**(R) Non co-operation by Personal Guarantors:**

As per Regulation 22 of IBBI Regulations, 2019, in the event of non-co-operation of the guarantor at any time during the resolution process period or during the implementation of the repayment plan, the resolution professional shall prepare a statement to this effect and file the same with the Adjudicating Authority for appropriate directions.

We hereby request for our Solvency. We will accept the terms and conditions as provided in the whole Process of Corporate Insolvency Resolution Process of Pradip Overseas Limited.

Pursuant to Sub- Section 3(c) of Section 105, we hereby undertake to also attend and honor any other matter which is not known and not specified at this stage. We also request to allow any suitable amendment in repayment plan as and when required.

4. The Resolution Professional declares that the Insolvency Resolution Process for the Personal Guarantor has been conducted in compliance of the IBC, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.
5. The Resolution Professional further confirms that he has complied with Section 99 and Section 114 and minutes of all meetings have been circulated to the debtor (guarantor), creditor and to this Tribunal as required under Section 113 and confirmed by the respective members in the meeting.

6. In the above backdrop of the facts, we have heard learned counsel for the RP and perused the records. At the outset, it may be stated that when the RP convened a meeting of the creditor for the purpose of voting of the Repayment plan of the personal guarantor, it was always open for the Creditor to either accept or reject or even suggest modifications in the repayment plan. The revised repayment plan was approved with a 100% voting percentage (present and voting) at the 3<sup>rd</sup> meeting of creditors held on 07.09.2022. However, the SBI, having 6.08% voting share sent an email dated 20.10.2022 dissenting the repayment plan.

7. For the sake of ready reference, we reproduce Section 111 of the Code as under:-

*The repayment plan or any modification to the repayment plan shall be approved by a majority of more than three-fourth in value of the creditors present in person or by proxy and voting on the resolution in a meeting of the creditors.*

8. The repayment plan was approved in 3<sup>rd</sup> meeting of creditors held on 07.09.2022 with 100% voting (present and voted upon). However, the SBI, having voting share

of 6.08% vide its email dated 20.10.2022 dissented the repayment plan.

9. Even, if we assume the voting of SBI, having 6.08% as a negative vote, the positive vote is 93.92% which is over and above the threshold given under Section 111 of the Code.
10. Therefore, keeping in view the provision contained in section 114 (1), we are passing an order on the basis of the report prepared by RP under section 106 of the Code which confirms that the repayment plan is in compliance with Section 112 of IBC, 2016.
11. The Resolution Professional also submits that the Insolvency Resolution Process for the Personal Guarantor has been conducted in compliance with the IBC, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.
12. Since, one of the prayers made by the Applicant at prayer no. III is to pass a common order for all Personal

Guarantors (1 to 5) of Pradip Overseas Limited, we hereby allow prayer no. III and pass the common order.

13. Accordingly, we approve the repayment plan with effect from the date of this order, with the following directions:-

- a) The Resolution Professional shall supervise the implementation of the Repayment Plan as per the terms and conditions mentioned therein and file his final report soon after the implementation of the plan or upon completion of the timelines mentioned in the plan, whichever is earlier.
- b) Upon completion of the Repayment Plan, the Resolution Professional shall comply with the provisions stated in Section 117 of the Code.
- c) The creditors shall withdraw all the legal proceedings before various fora against the debtor within one month of the fulfilment of repayment obligations by the debtor in accordance with the terms of the repayment plan.
- d) In the event of a maximum 30 days' delay for any unforeseen circumstances, granting a grace period shall be within the jurisdiction of the implementation committee to waive without declaring default.

- e) On full implementation of the Repayment Plan, the Personal Guarantees given by all the Personal Guarantors shall be released by the Financial Creditors.
- f) 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.
- g) The approval of the Repayment Plan shall not be construed as waiver of excluded debts as defined U/s 79(14) if any.
- h) The Registry is directed to send a copy of this order to IBBI.
- i) The Resolution Professional, the Applicant herein shall forward all the records pertaining to the Insolvency Resolution Process against the Personal Guarantor to IBBI.

**-SD-**  
**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

**-SD-**  
**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

Rajeev/P.S