

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**JAIPUR BENCH**

**CORAM: SHRI DEEP CHANDRA JOSHI,  
HON'BLE JUDICIAL MEMBER**

**SHRI RAJEEV MEHROTRA,  
HON'BLE TECHNICAL MEMBER**

**CP No. (IB)- 61/95/JPR/2024**

**IN THE MATTER OF:**

**UCO BANK**

...Applicant

**VERSUS**

**ROHIT ARORA**

...Respondent/ Personal Guarantor

**MEMO OF PARTIES**

**UCO BANK**

(Civil Lines Branch- 2105)  
Office Address: UCO Bank,  
Midcorporate Branch, Ajmer Road,  
Orbit Mall, Arcade International,  
Jaipur- 302006 (Rajasthan)

...Applicant

**VERSUS**

**ROHIT ARORA**

House No. K-41, Himmat Nagar,  
Tonk Road, Behind Kanha,  
Gopalpura, Lal Kothi, Gandhi Nagar,  
Jaipur- 302015 (Rajasthan)

*Also at:*

S-9, 3<sup>rd</sup> Floor, Shubham Tower,  
Shastri Nagar, Jaipur- 302016  
(Rajasthan)

...Respondent/ Personal Guarantor

**FOR THE APPLICANT(S)**


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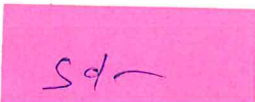
Harish Chandra Sharma, Adv.  
Dheeraj Palia, Adv.


Sd/-

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**ORDER**

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1. The present application is filed by *UCO Bank* with a prayer to initiate Insolvency Resolution Process against *Mr. Rohit Arora* ('Personal Guarantor'/ 'Respondent'), under Section 95 of the Insolvency and Bankruptcy Code, 2016 ('IBC'/ 'Code') read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019. The Personal Guarantor has stood as Guarantor in respect of the loans availed by *M/s Balaji Lifestyle Technologies Pvt. Ltd.* ('Corporate Debtor').
  2. It is stated that the Personal Guarantor had executed a personal guarantee to secure the repayment of financial assistance availed by the Corporate Debtor from the Applicant/Creditor. Pursuant to default in repayment of debt by the Corporate Debtor, the personal guarantee of *Mr. Rohit Arora* was invoked and accordingly, the Personal Guarantor was called upon to repay the debt of the Corporate Debtor, which he failed to repay.
  3. It has been submitted that the Corporate Debtor through its authorised representative(s) along with Personal Guarantors including the Guarantor herein approached the Bank for financial assistance in the form of various faculties, consequently, the Bank sanctioned Cash Credit Limit of Rs. 4 Crores on 12.12.2017. The aforesaid facility was secured by way of collateral security as well as the personal guarantee of the Personal

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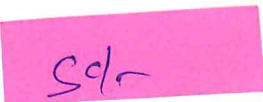


Guarantor and such guarantee was given by way of execution of Guarantee Agreement dated 18.12.2017.

4. Due to COVID-19 outbreak, on proposal of Corporate Debtor, the Bank sanctioned Adhoc Limit of Rs. 40 lakhs under UCO COVID-19 Emergency Credit Line ('UCECL') Scheme on 08.05.2020, which was repayable in 18 monthly instalments of Rs. 2,22,222/- (Rs. Two Lakhs Twenty- Two Thousand Two Hundred and Twenty- Two Only) each after a moratorium period of 6 months from date of disbursement of the loan for which agreement to term loan dated 15.05.2020 had been executed between the parties. Further, the Bank sanctioned term loan of Rs. 40 lakhs on 29.06.2020 which was repayable in 36 monthly instalments of Rs. 1,24,425/- (Rs. One Lakh Twenty- Four Thousand Four Hundred and Twenty- Five Only) with effect from June, 2021 for which Agreement relating to term loan dated 30.06.2020 and deed of hypothecation dated 30.06.2020 were executed.
5. On 06.09.2020, the Bank Sanctioned further credit facility under FITL- COVID 19 Regulatory Relief of Rs. 29.39 lakhs to the Corporate Debtor. Thereafter, on 05.02.2021, the Bank sanctioned Additional Working Capital Term Loan Facility of Rs. 38.79 to the Corporate Debtor under Guaranteed Emergency Credit Line ('GECL') which was repayable in 36 instalments with extension of moratorium from 12 months to 24 months.



Sd/-



Sd/-



6. Later on, the Corporate Debtor proposed for restructuring of Credit facilities under Resolution Framework 2.0 of COVID-19 (MSME Unit) which was sanctioned by the Bank on 31.05.2021. As per Scheme part of Cash Credit Limit of Rs. 4 Crores along with FITL of Rs. 24 lakhs converted into working capital term loan of Rs. 224 lakhs which was repayable in 120 months in 108 EMIs of Rs. 3,14,756/- (Rupees Three Lakhs Fourteen Thousand Seven Hundred and Fifty- Six Only) which commencing after moratorium of 12 months. Owing to failure in repaying the debts, the account of the Corporate Debtor was classified as NPA on 30.11.2021.
7. The Applicant vide notice dated 14.12.2021 invoked the personal guarantee of the Guarantor under Section 13(2) of the SARFEASI Act by seeking repayment of the outstanding debt within 60 days from the date of the notice. However, the Personal Guarantor was defaulted in repayment. Thereafter, a Demand Notice was issued in Form B as per Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019 seeking payment of default amount of Rs. 5,72,77,196.12/- (Rupees Five Crores Seventy- Two Lakhs Seventy- Seven Thousand One Hundred Ninety- Six and Twelve Paise Only) within 14 days. However, the Personal Guarantor failed to repay the debt in default within the prescribed period.
8. In Part III of the Application, the amount in default reflected is Rs. 5,72,77,196.12/- (Rupees Five Crores Seventy- Two Lakhs Seventy- Seven

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Thousand One Hundred Ninety- Six and Twelve Paise Only) as on 30.11.2021. The date on which debt became due is 31.08.2021.

9. We have heard the learned counsel for the Applicant and perused the Application along with the documents on record.
10. It is observed that the Personal Guarantor has defaulted in payment of the dues within the statutory period from the service of the Demand Notice. Consequently, the Applicant has filed this application under Section 95 of the Code read with Rule 7(2) of the IBC Rules, 2019 against *Mr. Rohit Arora*, the Personal Guarantor of the Corporate Debtor. Hence, we are inclined to allow this Application and appoint the Resolution Professional as envisaged under Section 97 of the Code.
11. It is clear that from the date of filing of this application i.e., 18.07.2024, that Interim Moratorium commences as stipulated under Section 96(1) of the Code in relation to all the debts of the Personal Guarantor. During the Interim Moratorium period: (i) any pending legal action or proceedings in respect of any debt shall be deemed to have been stayed; and (ii) the creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt. As per Section 96(3) of the Code, the provisions of sub-section 96(1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
12. It shall be noted that the appointment of the Resolution Professional under Section 97 of the Code is critical and essential for the Creditor but also

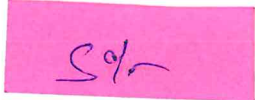
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relevant to safeguard the assets of the Personal Guarantor in terms of the provisions of the Code. The Applicant may propose the name of a Resolution Professional to be appointed as Resolution Professional ('RP'), but it is not obliged to do so. In the instant case, the Applicant has not proposed the name of any person to be appointed as RP. Hence, this bench will appoint the RP from the pool of RPs empanelled with the IBBI. Therefore, the Bench is appointing Mr. Jai Prakash Rawat duly registered with the Insolvency and Bankruptcy Board of India, with Registration No. IBBI/IPA-001/IP-P-01969/2020-21/13039 ([ipjprawat@gmail.com](mailto:ipjprawat@gmail.com)), is hereby appointed as the Resolution Professional. The said RP is directed to file the written consent to act as Resolution Professional in Form – 2 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016.

13. The Applicant is directed to serve the copy of this order along with copy of the Application and documents immediately on the Insolvency and Bankruptcy Board of India and file proof of service including dispatch and delivery thereof. Also, a copy of this Order and Application shall be served on the Personal Guarantor for limited purpose of presence on the next date of hearing and to be informed about the commencement of moratorium. The Personal Guarantor is directed to co-operate with the Resolution Professional appointed hereunder and provide all relevant information to the concerned Resolution Professional. The Personal Guarantor shall also

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furnish a copy of his last 3 Income Tax Returns and latest statement of affairs including, but not limited to position of assets and liabilities together with relevant documents to the Resolution Professional.

14. The Resolution Professional is directed to exercise all the powers as enumerated under Section 99 of the Code read with Rules made thereunder. The Resolution Professional is directed to make the recommendations with reasons in writing for acceptance or rejection of this Application within the stipulated time as envisaged under the provisions of Section 99 of the Code. The Resolution Professional shall provide a copy of the report under sub-Section 7 of Section 99 to the Creditor as soon as the same is filed before this Authority.
15. Further, the Applicant is directed to deposit Rs. 1,00,000/- (Rupees One Lakh Only) to the bank account of the Resolution Professional within one week, towards his fees. This shall be subject to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.
16. The registry is directed to provide a copy of this order to the parties as well as mail the same to the Resolution Professional.

**DEEP CHANDRA JOSHI,  
JUDICIAL MEMBER**

**RAJEEV MEHROTRA,  
TECHNICAL MEMBER**

**August 07, 2024**