

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

IA(IBC) No. 265/JPR/2025
CP No. (IB)-59/94/JPR/2024

(Under Section 94 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019)

IN THE MATTER OF:

ALOK PARASRAMPURIA

...Applicant/Debtor

VERSUS

ASSET RECONSTRUCTION COMPANY (INDIA) LTD. & ORS.

...Respondent/ Creditor

AND IN THE MATTER OF:

IA (IBC) No. 265/JPR/2025

MEMO OF PARTIES

MR. YOGENDER PAL SINGHAL,
(Resolution Professional),
C-47, Milansar Apartments,
Plot No. 2, Prashant Vihar,
Sector-14, Rohini, Delhi-110085

...Applicant / Resolution Professional

FOR THE APPLICANT : Purti Gupta, Adv.

Henna George, Adv.

Yogender Pal Singhal, RP

FOR THE RESPONDENT : Usha Singh, Adv. (ASREC)

Order Pronounced On: 26.09.2025

ORDER

Per: Ms. Kavita Bhatnagar (Technical Member)

1. The Applicant, namely *Mr. Alok Parasrampur* ('Applicant') through the Resolution Professional *Mr. Yogender Pal Singhal* has filed the Application bearing *CP No. (IB)-59/94/JPR/2024*, under Section 94 r/w Sections 96, 97, 99 and 100 of the Insolvency and Bankruptcy Code 2016 (the 'IBC' / 'Code') r/w Rule 6(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 ('Rules') seeking initiation of Insolvency Resolution Process ('IRP') against the Applicant/ Debtor who is the Personal Guarantor of the Corporate Debtor, namely *M/s Parasrampur Synthetics Limited*.
2. On presentation of the Application by the Applicant, this Authority *vide* Order dated 04.07.2025 had appointed *Mr. Yogender Pal Singhal*, bearing Registration No. IBBI/IPA-001/IP-P00492/2017-18/10880 as the Resolution Professional, to file a report under Section 99 of IBC, 2016 which has been filed by him through *IA(IBC)No.265/JPR/2025*.
3. The Instant Application bearing *IA(IBC)No.265/JPR/2025* has been filed by the Resolution Professional ('RP') under Section 99(1) read with Section 99(7) of the IBC recommending the admission of the application filed by the Creditor under Section 94 of the Code seeking commencement of

sdr

Insolvency Resolution Process against the Debtor/Personal Guarantor, namely, *Mr. Alok Parasrampur*. The grounds for admission of the Application in the Report are as follows: -

3.1. It is stated that *Mr. Alok Parasrampur* was one of the Promoters and Guarantors of the *M/s Parasrampur Synthetics Limited* (the corporate debtor), which was involved in manufacturing and supplying yarn to global customers. The company required a term loan and working capital for its operations and approached a consortium of lenders, including the *Industrial Development Bank of India (IDBI)*, *Punjab National Bank (PNB)*, *State Bank of Bikaner & Jaipur (SBBJ)*, *State Bank of Patiala (SBP)*, and others (referred to as the “*ARCIL Consortium*”).

3.2. The Personal Guarantor had executed Guarantee Deeds with Banks from time to time for availing the financial facilities for *Parasrampur Synthetics Ltd.* as under: -

Sr. No.	Date of Guarantee Deed	Name of Bank	Page No. of petition for showing continuing guarantee	Amount of Guarantee (Amt. in Crores)
1	06.02.1991	Industrial Development Bank of India	30	6.00
2	15.04.1994	-Do-	36	4.71
3	23.03.1995	-Do-	45	50.00
4	25.01.1993	Industrial Credit and Investment Corporation of India	53	9.89
5	24.01.1995	-Do-	64	15.50
6	24.04.1995	-Do-	73	9.95
7	15.06.1995	-Do-	82	42.37
8	13.12.1995	-Do-	102	5.00

9	29.10.1995	SCIC	91	10.00
10	31.05.1995	PNB	110	1.10
11	21.11.1989	SBBJ	119	1.10
12	02.04.1991	SBBJ	127	1.08
13	17.08.1995	State Bank of Patiala	132	15.00
14	27.07.1989	Canara Bank	140	7.00
15	23.09.1991	Canara Bank	148	25.00
16	30.10.1995	Canara Bank	155	75.00
17	14.07.1995	Canara Bank, Lead Bank (consortium of Canara Bank, PNB, SBI, BoB, SBBJ, UTI Bank, State Bank of Patiala and State Bank of Travencore)	162	178.01
18	23.09.1995	The Bank of Nova Scotia	194	30.00
19		IFCI Ltd (TL)	NA	

3.3. The Personal Guarantor *Mr. Alok Parasrampur*, executed a deed of guarantee on 14.07.1995 in favor of the consortium of banks to secure the working capital facility of Rs. 178,01,00,000/- (Rupees One Hundred Seventy-Eight Core and On Lac Only) for *Parasrampur Synthetics Ltd.*

3.4. Due to the Corporate Debtor's and guarantors' failure to repay the loan amounts, the assignee's *ARCIL and Pegasus Assets Reconstruction Pvt. Ltd.* issued a recall demand notice on 27.11.1997 for Rs. 27,93,86,528.41. The matter was filed in *OA No. 36/1999* with the Hon'ble DRT-II, and a recovery certificate was issued on 10.10.2022, demanding payment of Rs. 10,39,43,778.04, along with interest at 11% per annum.

3.5. In *OA No. 571/1997* Canara Bank filed for recovery, and the DRT issued a decree for Rs. 24,22,65,902. In *OA No. 114/1998*, another

decree for Rs. 33,50,17,364.64 was issued. These debts were assigned to ARCIL on 28.03.2014. The Hon'ble NCLT New Delhi Bench admitted the insolvency petition on 17.05.2018, initiating the Corporate Insolvency Resolution Process (CIRP) for *Parasrampuriah Synthetics Ltd.* The resolution plan was rejected by the Committee of Creditors (CoC) on 21.01.2019. Liquidation proceedings were ordered on 15.02.2019 under Section 33(2) of the IBC.

3.6. ARCIL submitted DRT orders dated 22.06.2010 in *OA No. 571/1999* and *114/1998* to the Hon'ble Adjudicating Authority. *Mr. Alok Parasrampuriah* issued continuous bank guarantees in favor of various banks, as outlined in Annexure-5 of the main application under Section 94 of the IBC. The cause of action arose against the Applicant upon the issuance of the recovery certificate by DRT on 22.06.2017. This cause of action continues due to the non-payment of debts owed to ARCIL and other financial creditors.

3.7. In view of the above, the RP states that "*I have perused / examined the Insolvency Application filed by the Personal Guarantor under Section 94 of Code along with all the underlying documents and annexures and have formed the opinion to recommend the same for approval to this Hon'ble Adjudicating Authority*".

Sdr

Sdr

Reply-cum-objections filed by ASREC (India) Limited

4. The reply-cum-objections is being filed *vide* diary No. 262/2025 dated 03.02.2025 by ASREC (India) Limited (“ASREC”/ “Respondent” and submitted the following:

4.1. The Respondent is a Financial Institution as defined under Sub-Section (h) of the Section 2 of the Recovery of Debts Due to Banks and Financial Institutions Act 1993. The operations of the ASREC are subject to Reserve Bank of India’s guidelines and regulations.

4.2. The personal guarantor, along with other guarantors, executed a Guarantee Deed on 14.07.1995, giving an irrevocable, unconditional, joint, and several guarantees for securing repayment of credit facilities and interest.

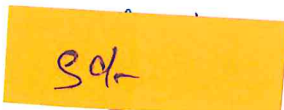
4.3. The Consortium of banks filed an Original Application, *OA No. 60/2006* for recovery of the debts which became due and payable by the Corporate Debtor / Guarantors and Personal Guarantor for recovery of Rs. 44,71,70,254/- with simple interest @ 20.75% per annum. The said Original Application was allowed *vide* Final Order dated 07.08.2013 thereby passing a decree of recovery against the Corporate Debtor and recovery certificate was issued pursuant thereto. The debt of the Corporate Debtor has been assigned to the ASREC by Assignor *vide* Assignment Agreement dated 27.06.2014. The ASREC has been

Sdr

Sdr

pursuing its Recovery Certificate No. 278 of 2013 which is pending adjudication before the Ld. Recovery Officer, Debts Recovery Tribunal.

- 4.4. It is alleged that Guarantors (including Personal Guarantor) have siphoned off all the amounts from the Bank accounts and immovable properties to family members of the guarantors or the sister concerns. Despite the specific directions from the Hon'ble DRT-II *vide* dated 30.04.2009 in OA No. 60/2006 to Land Acquisition Officer not to release the amount in respect of the mortgaged property being Silvasa village Talavali in Union Territory of Dadra and Nagar Haveli. It is alleged that despite the said order, the Land Acquisition Officer has released the compensation amount to the tune of Rs. 11,77,51,779/- (Rupees Eleven Crore Seventy-Seven Lakhs Fifty-One Thousand Seven Hundred and Seventy-Nine Only) to the Personal Guarantors.
- 4.5. Further, direction *vide* an order dated 30.04.2009 passed by the Hon'ble DRT to the Collector, Land Acquisition Officer not to release the amount in respect of the subject property, the Land Acquisition Department went ahead with releasing of amount, which was again siphoned off by the Corporate Debtor and Personal Guarantors. Without any intimation to the ASREC and despite having order of the Hon'ble DRT, the Personal Guarantor has siphoned off the amount in the account of the other company namely, *VIP Finvest Consultancy*



Pvt. Ltd. However, for the same an IA No. 4832/2022 was filed in RC Proceedings before Ld. RO, DRT to issue Garnishee Notice to *VIP Finvest Consultancy Pvt. Ltd.* and attach the amount received from the defendants since year 2014-2015.

4.6. The recovery of the decretal amount is pending in RC Proceedings since 2013. The Personal Guarantor's are not appearing before the Tribunal and it is alleged that the conduct of the Personal Guarantor has always been absconding and malicious, which clearly shows that the present application for insolvency has also been filed with a view to evade and deter the recovery proceedings pending before the Hon'ble DRT-I, Delhi.

4.7. It is submitted that Ld. DRT took cognizance of the malafide conduct of the Personal Guarantor and issued notice in IA No. 4832/2022 to the LAO and Personal Guarantors *vide* order dated 13.10.2022. Furthermore, *vide* order dated 05.06.2023, Ld. RO-DRT had directed the CD / Personal Guarantor to disclose the details of compensation received pursuant to the acquisition of the aforesaid property. However, till date no response has been received either from LAO or from CD / Personal Guarantor.

4.8. The Assignee of Lead Bank of Consortium-ARCIL had also filed an insolvency application bearing No. CP (IB)-155 of 2018 under Section 7 of the IBC, 2016 seeking initiation of corporate insolvency process

against the Corporate Debtor i.e. Parasrampuriah Synthetics Ltd. (PSL) before this Hon'ble Tribunal. Pursuant to the conclusion of the CIRP period the, Ld. NCLT vide its order dated 15.02.2019 passed directions for liquidation of the Corporate Debtor and appointed Sh. Rajesh Jhunjhunwala as the Liquidator.

4.9. It is further submitted that the CD / Personal Guarantor are also going through recovery proceedings pursued by other consortium Banks, mainly TRC No. 31/2020 where they are deliberately not complying with the directions issued by Ld. DRT from time to time. It is further submitted that the CDs on each and every occasion have misled DRT by making false statements with the sole & ulterior motive of causing obstruction in the recovery of the dues of the ASREC. The CDs have no respect for the directions issued by the Ld. DRT, which is evident from the fact that despite passing directions to CD / Personal Guarantors vide order dated 12.02.2018 in above RC for making the payment of Rs. 15 crores, till date aforementioned order has not been complied with by the Personal Guarantors.

4.10. It is also submitted that the matrix that evolves from the order sheets is that the CDs even after being given opportunity after opportunity over a decade chose not to comply with the directions issued by Ld. DRT. The fact that emerges from the order sheets is that the CDs / Personal Guarantor harboured under the impression that direction of Ld.

Tribunal, A Court of Law, can be ignored and the non-compliance thereto will not cause any harm to them. The Personal Guarantor till date failed to provide adequate information regarding his residential addresses situated in different states.

4.11. The Insolvency Petition has been filed by the Personal Guarantor just to escape from his liability to pay the sum of Rs. 2,11,42,62,243.44/- outstanding as on 20.12.2024 together with *pendente lite* and future interest per annum which are legitimate dues of ASREC.

4.12. It is submitted that the Personal Guarantor has floated the process of insolvency under Section 94 of the IBC before this Hon'ble Tribunal with sole motive to circumvent the liability due to the Respondent. It is not disputed that RC stands issued in 2013 against the Personal Guarantor, much prior to the filing of captioned petition in year 2024.

4.13. The Personal Guarantor is disputing his liability before Ld. DRT, thereby creating hurdles in the recovery proceedings initiated by the ASREC. Moreover, the Personal Guarantor does not suffer from inability to pay of the debts. The Personal Guarantor has siphoned his properties and funds to his near and dear ones, which should lead to the Forensic Audit of his dealings with his relatives.

Sdr

Sdr

Rejoinder to the Reply-cum-Objections

5. Rejoinder is being filed *vide* diary No. 135/2025 dated 16.01.2025 by the Applicant / Personal Guarantor and submitted the following:

5.1. It is further stated that the Respondent ASREC (India) Ltd. has allegedly acknowledged the position that the Personal Guarantor viz. the petitioner herein along with Corporate Debtor and guarantors were jointly and severally to pay the outstanding amount along with interest and charges to the lenders and that the Original Application No. 60/2006 was allowed by the Debt Recovery Tribunal.

5.2. The Applicant stated that if the Respondent itself conceded that the Personal Guarantor has defaulted in making any payment of its alleged dues and thus this is a clear-cut case of debt and default under the Code, the petition under Section 94 is in effect in accordance and consonance with the principles enshrined in the Insolvency & Bankruptcy Code.

5.3. It is stated that when the amount is due and payable and there is a admitted debt and default and continuing liability to the stand taken by the Respondent itself and is has been further acknowledged in the reply by the Respondent that the original application filed by the predecessors i.e. Banks of Respondent was allowed *vide* final order dated 07.08.2013 whereby a decree of recovery has been issued against the guarantor viz. the petitioner herein, it is absolutely inconceivable

Sd/-

Sd/-

for the Respondent to simultaneously raise a contention that the petition has been filed before this Hon'ble Court with the objective of evading the payment of dues of the creditors.

5.4. It is submitted that the objective of the Insolvency & Bankruptcy Code is the settlement of dues of all concerned through a Resolution Plan or through Repayment Plan, which can be drawn post-admission of the matter under the Code and in the event when a Resolution Plan is not in a position to be drawn, the bankruptcy proceedings can be initiated against the Personal Guarantor.

5.5. It is stated that the Application under Section 94 be admitted in terms of Section 100 of the Code so that an option for submission of a Personal Insolvency Repayment Plan can be worked out and which may lead to the satisfaction of the dues.

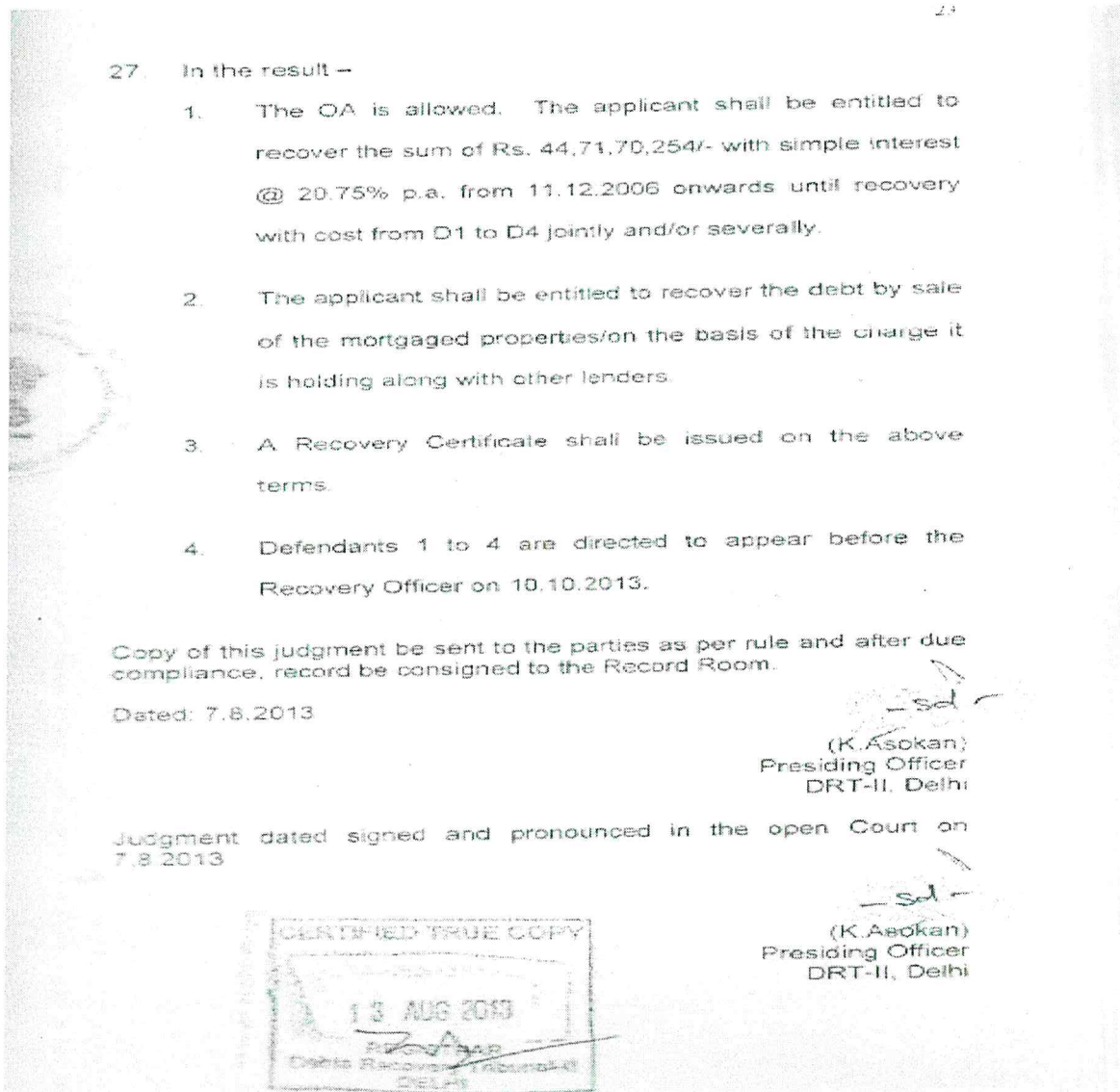
Findings

6. We have heard the parties and perused the averments made in the Application, Reply, Rejoinder, and the documents enclosed with the Application.
7. The moot question of law that arises for our consideration after the objections raised by the Respondent is whether initiation of SARFAESI proceedings is sufficient to hold that Section 94 application has been

resorted by the Applicant for putting a spanner in the recovery proceedings initiated by the Respondent.

8. In the present case, it may be useful at this stage to go through the chronological sequence of events, right from initiation of the SARFAESI proceedings in the year 1999 to the initiation of Section 94 petition in 2024. Upon examining the material placed on record, it is undisputed fact that the Corporate Debtor had failed to meet its repayment obligations. Subsequently, the debt assignees, *ARCIL* and *Pegasus Assets Reconstruction Pvt. Ltd.*, issued a recall demand notice on 27.11.1997.
9. Consequently, due to non-payment the Consortium of banks filed OA No. 36/1999 before the Hon'ble DRT-II and a Recovery Certificate was issued vide order dated 10.10.2022. Similarly, multiple OA's were filed by the Canara Bank before the Hon'ble DRT-I namely, *OA No. 571/1997* and *OA No. 114/1998* wherein decree and recovery certificate for Rs. 24,22,65,902 was issued in *OA No. 571/1997* and for Rs. 33,50,17,364.64 respectively has been issued in favour of Canara Bank.
10. Additionally, *ARCIL* initiated CIRP i.e., *CP (IB)-155 of 2018* under Section 7 of the Code, against the Corporate Debtor. During, the CIRP proceedings the Resolution Plan was submitted but the CoC had rejected the same by 88.90% in value of the voting power on 21.01.2019. Subsequently, following the conclusion of the CIRP the NCLT vide its order dated 15.02.2019 directed for liquidation of the Corporate Debtor.

11. Further, it is submitted that in Original Application i.e. OA No. 60 /2006 filed by the Consortium of banks, was allowed *vide* Order dated 07.08.2013, thereby passing a decree of recovery against the Applicant, and a Recovery Certificate was issued pursuant thereto. For the sake of clarity, the aforementioned order dated 07.08.2013 is attached here: -



12. In view of above, it appears that the Personal Guarantor has been able to evade and delay accountability due to the multiple ongoing legal proceedings pending before various Courts, Tribunals, and Forums. This

now brings us to the filing of the Section 94 application in 2024 and its timing. At this juncture, filing of the Section 94 application leaves no room for doubt in our mind that the proceedings under Section 94 of Code was not initiated with the intent of genuine insolvency resolution but as a tool to obstruct lawful recovery by the Banks. A bare perusal of the sequence of applications before the courts and tribunals shows that the Applicant's intent is to seek refuge under the moratorium provision of Section 96 of the IBC.

13. Further, we have no quarrel with the proposition of law laid down in *Getz Cables Pvt. Ltd. Vs. State Bank of India and Anr.* that the right under Section 94 given to a personal guarantor/individual cannot be taken away only on the ground that SARFAESI proceedings have been initiated prior to filing of Section 94 application. Be that as it may, it is pertinent to notice that the said judgement has also observed that the Adjudicating Authority has to decide each case depending on the specific and individual facts of each case.
14. Additionally, the Hon'ble NCLAT in matter of "*Syed Sirajis Salikin Khadri vs Edelweiss Asset Reconstruction (CA) (AT) (In) No. 455 of 2025*" stated that: -

"13. When we look at the impugned order, we find that the Adjudicating Authority at para 5 thereof has exhaustively listed out the details of the multiple legal proceedings initiated by the Appellant before various Courts/Tribunals/Forums. This leaves no doubt in our mind that each time physical possession of the secured residential premises was sought to be taken by the Respondent No.1 by following the due process laid down under the SARFAESI Act, the Appellant tried to circumvent the possession notice and stall/defer these proceedings by initiating some legal proceeding or the

other. This pattern of conduct of the Appellant underlines an entrenched pattern of evasion of recovery proceeding on one pretext or the other.”

15. Thus, it is a clear case where the Applicant on one excuse or the other has all along tried to delay the SARFAESI recovery proceedings. We find that recovery proceeding under SARFAESI Act have been pending since 07.08.2013. The Applicant has, on multiple occasions, misused the benevolent indulgence extended by various adjudicatory forums in past attempts to resolve the matter.
16. We notice that when the SARFAESI proceedings were on the verge of completion and all manoeuvres adopted by the Applicant to stall and delay the recovery proceedings had come to naught. The present Section 94 application filed before this Adjudicating Authority is clearly another tactics on the part of the Applicant to stall the recovery by taking advantage of moratorium. This clearly demonstrates that the Applicant has been ceaselessly orchestrating one litigation proceeding after another, embroiling the Respondent in continuous litigation, with a clear intention to subvert the recovery proceedings initiated against him, rather than with the bona fide objective of Insolvency Resolution.
17. In the given facts and circumstances, we are not inclined to Admit the Application filed under Section 94 of the Code which is filed with an intent other than Resolution.

Sd/-

Sd/-

18. In view of the observations made above, *CP No. 59/94/JPR/2024* stands dismissed and accordingly, *IA No. 265/JPR/2025* stands disposed of.

Sdr

**REETA KOHLI,
JUDICIAL MEMBER**

Sdr

**KAVITA BHATNAGAR,
TECHNICAL MEMBER**