IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
COURT-III (SPECIAL BENCH)

ITEM No. 323, 324, 325, 326
IA-3856/2024 in IB-590(ND)/2021
IA-3853/2024 in IB-591(ND)/2021
IA-3850/2024 in IB-592(ND)/2021
IA-3852/2024 in IB-593(ND)/2021

IN THE MATTER OF IB-590(ND)/2021:
M/s. Bank Of Baroda .....**APPLICANT/PETITIONER**
Vs
M/s. Deepika Sharma ......**RESPONDENT**

AND IN THE MATTER OF IA-3856/2024:
(Under Section 99(1) of the IBC, 2016)

Bank of Baroda Through Deepak Mittal ......APPLICANT

Versus

MS. DEEPIKA SHARMA
R/O H. No. 1310, Sec 14,
Faridabad Haryana- 121007

......RESPONDENT/PERSONAL GUARANTOR OF M/S ASSOCIATED APPLIANCE PRIVATE LIMITED

IN THE MATTER OF IB-591(ND)/2021:
Bank of Baroda .....**APPLICANT/PETITIONER**
Vs
Mr. Akshay Sharma. ......**RESPONDENT**

AND IN THE MATTER OF IA-3853/2024:
(Under Section 99(1) of the IBC, 2016)

Bank of Baroda Through Deepak Mittal ......APPLICANT

Versus

SHRI. AKSHAY SHARMA
R/O H. No. 1310, Sec 14,
Faridabad Haryana- 121007

......RESPONDENT/PERSONAL GUARANTOR OF M/S ASSOCIATED APPLIANCE PRIVATE LIMITED

IN THE MATTER OF IB-592(ND)/2021:

Bank of Baroda .....**APPLICANT/PETITIONER**

Vs

Mr. Praveen Sharma ......**RESPONDENT**

AND IN THE MATTER OF IA- 3850/2024:
(Under Section 99(1) of the IBC, 2016)

Bank of Baroda Through Deepak Mittal ......APPLICANT

Versus

SH. PRAVEEN SHARMA
R/O H. No. 1310, Sec 14,
Faridabad Haryana- 121007

......RESPONDENT/PERSONAL GUARANTOR OF M/S ASSOCIATED APPLIANCE PRIVATE LIMITED

IN THE MATTER OF IB-593(ND)/2021:

Bank of Baroda .....**APPLICANT/PETITIONER**

Vs

Mr. Udham Singh Sharma ......**RESPONDENT**

AND IN THE MATTER OF IA- 3852/2024:
(Under Section 99 of the IBC, 2016)

Bank of Baroda Through Deepak Mittal ......APPLICANT

Versus

SHRI. UDHAM SINGH SHARMA
R/O H. No. 10 Block C-2, Sector 11
Faridabad, Haryana- 121001

......RESPONDENT/PERSONAL GUARANTOR OF M/S ASSOCIATED APPLIANCE PRIVATE LIMITED

SECTION

U/s 95(1) of IBC, 2016 **Order delivered on 19.12.2025**

CORAM:

SHRI ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
DR SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)

HYBRID HEARING (PHYSICAL & VC)

PRESENT:

For Applicant	:	Ms. Nishi Yadav, Mr. S.K. Singhi, Mr. Rahul Pardasani Advs.
For the RP	:	Mr. Deepak Mittal RP With Ms. Kavita Adv.
For the PG	:	Mr. Mohit Nandwani, Mr. Abhishek Goswami Advs.

ORDER

IA-3856/2024, IA-3853/2024, IA-3850/2024, IA-3852/2024:-

1. The Respondents in all these applications viz. IA-3856/2024, IA-3853/2024, IA-3850/2024, IA-3852/2024 stood as Personal Guarantors qua the financial facilities extended by Bank of Baroda to M/s. Associated Appliance Private Limited. In terms of the orders passed under Section 97 of IBC, 2016, common Resolution Professional viz. Mr. Deepak Mittal was appointed to complete the process under Section 99 of IBC 2016. Having completed the process, the Resolution Professional has filed aforementioned applications making recommendation for admissions of IB-590(ND)/2021, IB-591(ND)/2021, IB-592(ND)/2021, IB-593(ND)/2021 preferred under Section 95(1) of IBC, 2016. All the reports filed in the form of the IAs are *pari materia.*

2. Thus, we make a reference to the report preferred vide IA-3856/2024.

3. As can be seen from Para IV of the report, the Resolution Professional has indicated that the requirement of Section 99(2) and Section 95 of IBC, 2016 have been met. The para IV reads as:-

Sr No.	**Requirements under the relevant provisions of section 99 of the Code**	**Submissions of the RP**	**Compliance with requirements of section 99 of the Code (Yes/No/NotApplicable)**
4)	Section 99(4): For the purposes of examining an application, the resolution professional may seek such further information or explanation in connection with the application as may be required from the debtor or the creditor or any		

	other person who, in the opinion of the resolution professional, may provide such information.		

4. Nevertheless, to satisfy our conscious, we made reference to deed of guarantee placed on record as Annexure A-8 provided in IB-590(ND)/2021. It is seen from the deed of guarantee that Ms. Deepika Sharma i.e. the Respondent in IB-590(ND)/2021 had undertaken to repay the amount of financial facility extended to the Principal Debtor. Para 4 and 5 of the deed of guarantee reads as:-

4. I /We expressly agree that the Bank shall have full discretionary power, without my/our further assent or knowledge and without discharging or in any way affecting my/our liability under this guarantee from time to time AND at any time to negotiate with the Principal and settle and or alter the terms and conditions, to promise, to grant time or indulgence to or not to sue the Principal or any person/s liable with or for Principal, whether as guarantor or otherwise or make any other arrangement with the Principal or any person/s so liable with or for the Principal as the Bank may think fit and to hold over, renew, vary, exchange or release in whole or in part and from time to time any securities held or to be held by the Bank for or on account of the moneys and liabilities intended to be hereby secured or any part thereof. I/We also agree that I/We shall not be discharged from my/our liability by the Bank releasing the Principal debtor or by any of its act or omission the legal consequence of which may be to discharge the Principal debtor or which would, but for this present provision, be inconsistent with my/our rights as surety or by the Bank's omitting to do any act, which but for this present provision its duty to me/us would have required the Bank to do. I/We hereby consent to each and every of the acts mentioned above as the Bank may think fit. Moreover though as between the Principal debtor and me/us I am/We are sureties only, I/We agree that as between the Bank and me/us, I am/We are Principal debtor(s) jointly with him and accordingly I/We shall not be entitled to any of the rights conferred on sureties by Sections 133, 134, 135, 139 and 141 of the Indian Contract Act. And I/we further expressly agree that the Bank shall also have discretionary power without my/our further assent or knowledge or without discharging or in any way affecting my/our liability under the Guarantee from time to time and at any time to agree to the variations of the terms and conditions of any Letter of Credit that has been and/or may be opened for the benefit of the Principal, to

convert a documentary Letter of Credit into clean or open Letter of Credit and vice versa, to convert a revocable Letter of Credit into irrevocable one and vice versa, to vary or alter the other terms, as to the nature and amount of credit, war risk, as regards the conditions of advance, the nature of the documents to be tendered, the names of the beneficiaries, the nature, quality, quantity of goods, the country of origin and the conditions regarding port of shipment, certificates of country of origin, nature, quality, quantity, weight or otherwise, the terms of shipment such as F.O.B / C.I.F/ C.F.A S/C.I.F / C.F.R as regards shipments by instalments or to convert a contract for shipment by instalment into shipment by one lot, the terms of draft as to insurance and the terms thereof, the terms regarding payment and to part with the shipping documents and/or goods covered by such shipping documents negotiated under the said Letter of Credit or a Trust Receipt of the principal or otherwise, and other conditions as may be comprised in the Letter of Credit within the limit of Rs. Eleven Crores only ____________ referred to in clause. 1 hereof and to release or vary any security granted therefor and for the purpose aforesaid to settle and or alter the terms and conditions to grant time or indulgence to Principal or any person/ s liable with or for the Principal whether as Guarantor or otherwise or compound or make any other arrangement with the Principal or any other person so liable with or for the Principal as the Bank may think fit and to hold over, renew, vary, exchange or release in whole or in part and from time to time any securities held or to be held by the Bank for/or on account of the moneys and liabilities intended to be secured hereby or any part thereof. And for all purposes of this claim the Principal is empowered to give consent on my/our behalf and any consent given by the Principal shall be deemed to have been given by me/us and shall bind me/us in all respects as if the same had been expressly given by me/us in writing. The Principal is also hereby empowered to acknowledge the debt/s and/or security/ies for and on behalf of me/us and the said acknowledgment of debt and/or the security/ies shall be valid as against me/us as though they were executed by me/us.

5. The Bank may recover against me/us to the extent herein before mentioned notwithstanding that the Principal or his agents, partners, directors or officers may have exceeded his or their powers or that the arrangements with the Bank may have been ultra vires and without being bound to enforce its claim against the Principal or any other person/s or other security held by the Bank. The Bank shall not be bound to inquire into powers of the Principal or his agents or partners, directors or officers purporting to act on behalf of the Principal and all moneys due or liabilities incurred shall be deemed to form part of the present guarantee notwithstanding that the Principal or his agents, partners, directors and officers may have exceeded his or their power or the arrangement with the Bank mav have been *ultra vires*.

5. The copy of the demand notices sent under Section 13(2) of the SARFAESI Act and demand notices are enclosed as Annexure A-3 and A-4. The Creditor has also placed on record a copy of the order passed by the Creditor and the sanction letters.

6. The various documents enclosed with the application have been referred to in Part IV (15) of the application.
7. The notice served by the Creditor upon the Personal Guarantor in Form-B reads thus:-

FORM B

FORM OF DEMAND NOTICE

[Under rule 7 (1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019]

To, Date: 15.03.2021

Mr. Akshay Sharma, S/o Late. Mr. Dev Dutt Sharma (Director and Guarantor) H. No 1310, sector 14, Faridabad, Haryana-121007	Mrs. Praveen Sharma, W/o Late. Mr. Dev Dutt Sharma (Director and Guarantor) H. No 1310, sector 14, Faridabad, Haryana-121007
Mrs. Deepika Sharma, D/o Late. Mr. Dev Dutt Sharma (Director and Guarantor) H. No 1310, sector 14, Faridabad, Haryana-121007	Mr. Udham Singh Sharma, S/o Late. Modi Ram Sharma (Borrower and Guarantor) H. No 10, Block C-2, Sector 11, Haryana-121001
Mr. Akshay Sharma, S/o Late. Mr. Dev Dutt Sharma (As legal heir of Late Mr. D.D.Sharma) H. No 1310, sector 14, Faridabad, Haryana-121007	Mrs. Praveen Sharma, W/o Late. Mr. Dev Dutt Sharma (As legal heir of Late Mr. D.D.Sharma) H. No 1310, sector 14, Faridabad, Haryana-121007
Mrs. Deepika Sharma, D/o Late. Mr. Dev Dutt Sharma (As legal heir of Late Mr. D.D.Sharma) H. No 1310, sector 14, Faridabad, Haryana-121007	

Subject: Demand notice in respect of unpaid debt in default due from M/s Associated Appliances Limited under the Code.

Sir,

1. This letter is a demand notice of unpaid debt in default due from M/s Associated Appliance Ltd.
2. Please find particulars of the unpaid debt in default below:

PARTICULARS OF DEBT

<table>
<tr><td>1</td><td>Total Outstanding Debt (including any interest or penalties)</td><td>As on 03.02.2021 i.e. Liquidation Commencement date, amount of Claim was Rs. 14,00,57,433.81 (Rupees fourteen crore fifty seven thousand four hundred and thirty three rupees and eighty one paise only.) as detailed under and further unapplied interest and other expenses and charges with effect from 03-02-2021 until payment in full.
<table>
<tr><td>Facility</td><td>Amount (In Rupees)</td></tr>
<tr><td>Cash Credit (07870500000047)</td><td>7,36,06,541.58</td></tr>
<tr><td>Bank Guarantee</td><td>32,00,000.00</td></tr>
<tr><td>Normal Interest (Compound) (1)</td><td>4,29,37,654.63</td></tr>
<tr><td>Penal Interest (Simple) (2)</td><td>1,00,86,929.81</td></tr>
<tr><td>Expenses (Legal + auction Expenses + security etc.)</td><td>48,28,780.79</td></tr>
<tr><td>CIRP expenses</td><td>53,97,527.00</td></tr>
<tr><td>Total Claim</td><td>14,00,57,433.81</td></tr>
</table>
</td></tr>
<tr><td>2</td><td>Amount of debt in default</td><td>Rs. 14,00,57,433.81 (Rupees fourteen crore fifty seven thousand four hundred and thirty three rupees and eighty one paise only). As on 03.02.2021 and further interest and charges until payment in full.</td></tr>
<tr><td>3</td><td>Date when the debt was due</td><td>Date of NPA i.e 31-03-2018</td></tr>
<tr><td>4</td><td>Date when the default occurred</td><td>Default occurred in payment of Interest on the Cash Credit limit / Outstanding's and account declared NPA on 31-03-2018
When Bank of Baroda has issued SARFAESI Notice dated 11.07.2018 to Guarantors of M/s Associated Appliances Limited for sanctioned credit facilities.</td></tr>
<tr><td>5</td><td>Nature of the debt</td><td>Working Capital Facilities – Cash Credit Account.</td></tr>
</table>

6	Secured debt including particulars of security held, the date of its creation, its estimated value as per the creditor (as applicable), and details of securities	Securities in account M/s Associated Appliances Limited Primary Security: 1. Hypothecation of stocks, plant and machinery. 2. Fixed deposit receipt of Rs.16.76 lacs as on 12.11.2020. 3. Equitable mortgage of property situated at plot no 194L, phase 1 Sitarganj. 4. Personal guarantee of directors: Mrs. Praveen Sharma, Mr. Akshay Sharma, Mr. Udham Singh Sharma, Mrs. Deepika Sharma. 5. Corporate Guarantee of M/s Maruti Engineering Industries. Collateral: Nil at present. (Property of auctioned and recovered) Personal/Corporate Guarantee of following: 1. Mrs. Praveen Sharma. 2. Mr. Udham Singh Sharma. 3. Ms. Deepika Sharma. 4. M/s Maruti Engineering Industries – Through its partners Mrs. Praveen Sharma and Mr. Akshay Sharma.
7	Unsecured debt (as applicable)	N.A.
8	Details of retention of title arrangements (if any) in respect of goods to which the debt refers	Not applicable
9	Particulars of an order of a court, tribunal or arbitral panel adjudicating on the default, if any (attach a copy of the order)	OA 10681- DRT-II- Chandigarh dated 25-07-2019.
10	Record of default with the information utility, if any (attach a copy)	Not Applicable
11	Details of succession certificate, or probate of a WILL, or letter of administration, or court decree (as may be applicable), under the Indian Succession Act, 1925 (10 of 1925) (attach a copy)	Not Applicable
12	Provision of law, contract or other document under which debt has become due (attach a copy)	Provision of Law under which debt has become due: 1. Indian Contract Act, 1872; 2. Securitisation and Reconstruction of Financial Assets and Security Interest Act, 2002; 3. Recovery of Debts and Bankruptcy Act, 1993; and 4. Insolvency and bankruptcy code 2016 The documents under which the debt has become due: Particulars of the documents: General form of guarantee dated 07.12.2011 executed by 1. Mr. Dev Dutt Sharma, 2. Mrs. Praveen Sharma, 3. Mr. Udham Singh Sharma and 4. Ms. Deepika Sharma. Deed of Guarantee dated 26.04.2018 executed by 1. Ms. Deepika Sharma. 2. Mr. Akshay Sharma, 3. Mrs. Praveen Sharma, 4. Mr. Udham Singh Sharma. Duly accepted Sanction letter vide BOB/ADV/2017-18/306 dated 19.04.2017.
13	A statement of bank account where deposits are made or credits received normally by the creditor in respect of the debt of the corporate debtor, from the date on which the debt was incurred	Statement of accounts enclosed

14	List of documents attached to this notice in order to prove the existence of debt and the amount in default	Documents mentioned in para 12 & 13

3. If you believe that the debt has been repaid before the receipt of this notice, please demonstrate such repayment by sending to us, within fourteen days of receipt of this notice, the following:-
(a) An attested copy of the record of electronic transfer of the unpaid amount from the bank account of the guarantor; or
(b) Evidence of encashment of cheque for the unpaid amount issued by the guarantor; or
(c) An attested copy of any record that [name of the creditor] has received the payment.

4. The undersigned request you to unconditionally pay the unpaid debt in default in full within fourteen days from the receipt of this letter failing which insolvency resolution process, under the Code, shall be initiated against you.

Yours sincerely,

Signature of creditor/person authorised to act on behalf of the creditor	
Name in block letters	D.K.Mittal (Chief Manager)
Address of person signing	Bank of Baroda Stressed Assets Management Branch, 4th Floor, Rajendra Bhawan, Rajendra Place, New Delhi – 110008 Ph. No. 011 -41709201 / 43026349 Email – samdel@bankofbaroda.com

8. As can be seen from Section 100 of IBC 2016, we need to pass the order on the basis of the recommendations made by the Resolution Professional.

9. We have already made reference to the report of the Resolution Professional filed by him in the form of IA.

10. The Resolution Professional has also made separate recommendations for admitting the applications.

11. We do not find any reason nix the recommendations made by the Resolution Professional and accept the same.

12. In the wake, the IAs are allowed and the Petitions filed under Section 95 are admitted.

13. As a sequel of admission of the present application, a moratorium shall commence in relation to all the debts of the Applicants. During the moratorium period – (a) any pending legal action or proceedings in respect of any debt qua the Applicant shall be deemed to have been stayed; (b) the creditors shall not initiate any legal action or legal proceedings in respect of any debt qua the Respondent; and (c) the debtors shall not transfer, alienate, encumber or dispose of any of the assets or his legal right or beneficiary interest therein. The moratorium shall cease to have effect at the end of period of 180 days.

14**.** A public notice shall be issued by the RP within seven days of passing of this order, inviting claim from all creditors within 21 days of such notice. The notice shall include details of the present order, particulars of the Resolution Professional with whom the claims have to be registered and the last date for the submission of the claims. The notice shall be –

(a) published in English and one Vernacular Language newspaper which is in circulation in the State where the debtor resides;

(b) affixed in the premises of this Adjudicating Authority; and

(c) placed on the website of the Adjudicating Authority.

15**.** We are sanguine that the RP shall discharge all such duties as are incumbent upon him in terms of the provisions of Sections 104, 105, 106, 107, 108, 112 and 113 of IBC, 2016, with the due deference of the procedure enshrined in Regulations 5, 7, 8, 9, 11, 12, 13, 14, 15 and 17 of IBBI (Insolvency Resolution Process for Personal Guarantor to Corporate Debtors) Regulations, 2019 and also in terms of the other extent provisions of the aforementioned code/regulations and/or any other provisions of law applicable to him, in discharge of his duties as RP.

16. A copy of this order along with the copy of the application as also the report of Resolution Professional shall be provided to the Applicant (RP), Personal Guarantor and IBBI, by the Registry/Court Master within 7 days from today by email.

17**. IA-3856/2024, IA-3853/2024, IA-3850/2024 and IA-3852/2024 stand disposed of. To come up for consideration of Status Report to be filed by RP, within 8 weeks.** Irrespective of the progress in respect of the CIRP to be conducted by the RP, the moratorium shall culminate on the expiry of 180 days from the date of this order. Accordingly, the applications stand disposed of.

-Sd-
(DR. SANJEEV RANJAN)
MEMBER (TECHNICAL)

-Sd-
(ASHOK KUMAR BHARDWAJ)
MEMBER (JUDICIAL)

SURBHI