

**IN THE SUPREME COURT OF INDIA**  
**CIVIL APPELLATE JURISDICTION**  
**CIVIL APPEAL NO. 4068 OF 2020**

**PITAMPUR POLY PRODUCTS LIMITED**

**APPELLANT(S)**

**VERSUS**

**BANK OF BARODA**

**RESPONDENT(S)**

**O R D E R**

Our attention has been drawn to the letter dated 21.07.2020 issued by the respondent - Bank of Baroda to the appellant - Pitampur Poly Products Limited, granting sanction of the One Time Settlement (OTS)/compromise proposal<sup>1</sup> submitted by the appellant. Clause 15 of the OTS Sanction reads: -

“15. All expenses form the date of appointment of IRP (3<sup>rd</sup> January, 2020) till the date of sanction advise i.e. 21<sup>st</sup> July 2020 of compromise will be met by the Bank. However, Bank will not be responsible for the expenses or any kind of dues before 3<sup>rd</sup> January, 2020 and after date of issuance sanction advice. Further any other expenses towards CIRP period after date of sanction of compromise settlement shall be borne by the borrower and for this borrower has to deposit BG/DD towards estimated expenses to be incurred for purpose of clause (AA), (BB), (C) and (D) of regulation 31 of The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in advance at the time of accepting sanction of compromise settlement.”

As per the terms of the clause, all expenses from the date of

1 For short, “OTS Sanction”

appointment of the Resolution Professional<sup>2</sup> on 03.01.2020 till the date of OTS Sanction/sanction advice, that is 21.07.2020, have to be met by the respondent - Bank of Baroda. Post the OTS sanction/sanction advice, the expenses have to borne and paid by the borrower, that is, the appellant - Pitampur Poly Products Limited.

Learned counsel appearing for the respondent - Bank of Baroda, however, as relied upon clause 10 of the OTS Sanction, which reads: -

“10. Settlement will not have any bearing whatsoever on CIRP process as the same is dependent on the discretion of NCLT/NCLAT as per IBC.”

In our opinion, clause 10 has no relevance to the question of payment of the expenses incurred by the RP between 03.01.2020 and 21.07.2020. Clause 10 accepts the jurisdiction and authority of the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). Clause 15 of the OTS Sanction is specific and, applies to the expenses incurred and payable during the CRIP period.

During the course of hearing, learned Senior Advocate appearing for the appellant - Pitampur Poly Products Limited, on instructions, has stated that the appellant is ready and willing to bear 50% of the total expenses incurred by the RP. This statement it is stated is being made to bring the litigation to an end and give a quietus to the matter, as the respondent - Bank of Baroda is not releasing the title deed/document in view of the aforesaid dispute/issue.

2 For short, “RP”

The RP who is present through video conferencing and has drawn our attention to the Statement of RP Fees and Expenses (Security, Lawyer etc.), enclosed at page 330 of the appeal paper book. She agrees that an amount of Rs.2,36,000/- (Rupees two lakhs thirty-six thousand only) remains to be paid as fees, which she accepts will be for the period upto 04.08.2020. In addition, the expenses of Rs.5,22,902/- (Rupees five lakhs twenty two thousand nine hundred two only) are payable as legal fees, security guard expenses etc.

The statement made by the RP is taken on record and is acceptable to the learned Senior Advocate appearing for the appellant - Pitampur Poly Products Limited.

Learned counsel appearing for the respondent - Bank of Baroda states that the Bank has retained the original title deed/document in view of the dispute/issue pertaining to the payment of RP fees and expenses. In case the payment is made to the RP, the original title deed/document will be returned to the appellant - Pitampur Poly Products Limited.

The RP on being questioned has stated, that the market value of the property of which title deed/document are with the respondent - Bank of Baroda is about Rs.2,00,00,000/- (Rupees Two Crores Only).

In view of the aforesaid statements, we direct the respondent - Bank of Baroda to make a payment of RS.3,79,451/- (Rupees three lakhs seventy nine thousand four hundred fifty one only) being 50% of the total amount of Rs.7,58,902/- (Rupees seven lakhs fifty eight thousand nine hundred two only) due to RP, within a period of

one month from today. The appellant - Pitampur Poly Products Limited will also make a payment of Rs.3,79,451/- (Rupees three lakhs seventy nine thousand four hundred fifty one only) to the RP within one month from today. On the payments being made, the respondent - Bank of Baroda will handover original title deed/document to the appellant/guarantors, within one week therefrom.

In case of any difficulty or for clarification the parties are at liberty to move this court.

The appeal is disposed of in the aforesaid terms.

Pending application(s), if any, shall stand disposed of.

.....J.  
(SANJIV KHANNA)

.....J.  
(BELA M. TRIVEDI)

New Delhi;  
July 04, 2023.

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G SCivil Appeal No. 4068/2020

PITAMPUR POLY PRODUCTS LIMITED

APPELLANT(S)

VERSUS

BANK OF BARODA

RESPONDENT(S)

(IA No. 139879/2022 - APPROPRIATE ORDERS/DIRECTIONS, IA No. 122233/2020 - EX-PARTE STAY and IA No. 122230/2020 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

Date : 04-07-2023 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJIV KHANNA  
HON'BLE MS. JUSTICE BELA M. TRIVEDI

For Appellant(s)

Mr. Jayant Mehta, Sr. Adv.  
Mr. Sanyat Lodha, AOR  
Ms. Sanjana Saddy, Adv.  
Ms. Hima Bhardwaj, Adv.

For Respondent(s)

Mr. Arun Aggarwal, AOR  
Ms. Anshika Agrawal, Adv.  
Mr. Shivam Saini, Adv.  
Ms. Greeshma Beebireddy, Adv.

Mr. Vaibhav Joshi, AOR

UPON hearing the counsel the Court made the following  
O R D E R

The appeal is disposed of in terms of the signed order.

Pending application(s), if any, shall stand disposed of.

(DEEPAK GUGLANI)  
AR-cum-PS(R.S. NARAYANAN)  
ASSISTANT REGISTRAR

(signed order is placed on the file)