

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 256 of 2026

[Arising out of order dated 21.01.2026 passed by the Adjudicating Authority
(National Company Law Tribunal, New Delhi Bench, Court – II) in C.P. (IB)
No. 143/ND/2022 in New I.A.312/ND/2026]

IN THE MATTER OF:

Harvinder Singh Sikka

...Appellant

Versus

Nobal Buildtech Pvt. Ltd.

Through the Interim Resolution Professional & Ors.

...Respondents

Present:

For Appellant : Mr. Abhijeet Sinha, Sr. Advocate & Mr. Sumant Batra, Sr. Advocates with Mr. Piyush Singh, Mr. Vivek Kumar, Ms. Raveena Paniker, Mr. Vijay Nair, Mr. Raghav Dembla, Ms. Neeha Nagpal and Mr. Rohan Tewari, Advocates.

For Respondents : Mr. Abhishek Anand, Mr. Amar Vivek, Mr. Aditya Gauri, Ms. Damini Srestha, Mr. Anant Jain and Mr. Aryan Chhabra and Mr. Hemant Sethi (RP in person) Advocates for R-1/RP.

Mr. Gopal Jain, Sr. Advocate with Mr. Kevin Chadha, Advocates for R-2 & R-5.

Mr. Sumesh Dhawan, Ms. Meghna Mishra and Ms. Mallika Kamal, Advocates for R-3.

Mr. Krishnendu Dutta, Sr. Advocate with Ms. Palak Sharma, Advocates for R-4.

WITH

Company Appeal (AT) (Insolvency) No. 287 of 2026

[Arising out of order dated 13.01.2026 passed by the Adjudicating Authority
(National Company Law Tribunal, New Delhi Bench, Court – II) in C.P. (IB)
No. 143/ND/2022 in New I.A.112/ND/2026]

IN THE MATTER OF:

Harvinder Singh Sikka

...Appellant

Versus

Nobal Buildtech Pvt. Ltd. & Ors.

...Respondents

Present:

For Appellant : Mr. Abhijeet Sinha, Sr. Advocate & Mr. Sumant Batra, Sr. Advocates with Mr. Piyush Singh, Mr. Vivek Kumar, Ms. Raveena Paniker, Mr. Vijay Nair, Mr. Raghav Dembla, Ms. Neeha Nagpal and Mr. Rohan Tewari, Advocates.

For Respondents : Mr. Abhishek Anand, Mr. Amar Vivek, Mr. Aditya Gauri, Ms. Damini Srestha, Mr. Anant Jain and Mr. Aryan Chhabra and Mr. Hemant Sethi (RP in person) Advocates for R-1/RP.

Mr. Gopal Jain, Sr. Advocate with Mr. Kevin Chadha, Advocates for R-2 & R-5.

Mr. Sumesh Dhawan, Ms. Meghna Mishra, Ms. Mallika Kamal and Mr. Shivam Sharan, Advocates for R-3.

Mr. Krishnendu Dutta, Sr. Advocate with Ms. Palak Sharma, Advocates for R-4.

WITH

Company Appeal (AT) (Insolvency) No. 288 of 2026

[Arising out of order dated 07.01.2026 passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi Bench, Court – II) in C.P. (IB) No. 143/ND/2022 in RA 83/ND/2025]

IN THE MATTER OF:

Harvinder Singh Sikka

...Appellant

Versus

Nobal Buildtech Pvt. Ltd. & Ors.

...Respondents

Present:

For Appellant : Mr. Abhijeet Sinha, Sr. Advocate & Mr. Sumant Batra, Sr. Advocates with Mr. Piyush Singh, Mr. Vivek Kumar, Ms. Raveena Paniker, Mr. Vijay

Nair, Mr. Raghav Dembla, Ms. Neeha Nagpal and Mr. Rohan Tewari, Advocates.

For Respondents : Mr. Abhishek Anand, Mr. Amar Vivek, Mr. Aditya Gauri, Ms. Damini Srestha, Mr. Anant Jain and Mr. Aryan Chhabra and Mr. Hemant Sethi (RP in person) Advocates for R-1/RP.

Mr. Gopal Jain, Sr. Advocate with Mr. Kevin Chadha, Advocates for R-2 & R-5.

Mr. Sumesh Dhawan, Ms. Meghna Mishra, Ms. Mallika Kamal and Mr. Shivam Sharan, Advocates for R-3.

Mr. Krishnendu Dutta, Sr. Advocate with Ms. Palak Sharma, Advocates for R-4.

J U D G M E N T

ASHOK BHUSHAN, J.

These three appeals have been filed by the suspended director of the corporate debtor challenging the order passed by the adjudicating authority (National Company Law Tribunal, New Delhi Bench, Court – II) in C.P. (IB) 143/ND/2022.

2. Comp. App. (AT) (Ins.) No. 256/2026 has been filed challenging the order dated 21.01.2026 passed in new I.A. No. 312/ND/2026, several other reliefs have been claimed in the appeal. Comp. App. (AT) (Ins.) No. 287/2026 has been filed against the order dated 13.01.2026 passed in new I.A. No. 112/ND/2026. Comp. App. (AT) (Ins.) No. 288/2026 has been filed challenging the order dated 07.01.2026 in RA No. 83/ND/2025 filed by Orbis Trusteeship Services Private Limited, the financial creditor.

3. These three appeals arise out of the same CIRP initiated against the corporate debtor, Nobel Buildtech Private Limited. Brief background facts giving rise to these appeals are:

- i. Kindle Infraheights Pvt. Ltd. (the principal borrower) raised funds through issuance of secured Non-Convertible Debentures (NCDs) to Asia Pragati Strategic Investment Fund, respondent No. 3. The debenture issuance was carried out in two tranches namely, ₹130 crore through issuance of 13,000 debentures and ₹6 crore through issuance of 600 debentures.
- ii. The respondent No. 2 – Orbis Trusteeship Services Pvt. Ltd. was appointed as Debenture Trustee for the NCDs. Debenture Trust Deeds (DTD) was executed. Nobel Buildtech Pvt. Ltd. the corporate debtor stood as corporate guarantor. NCDs were secured by corporate guarantee, personal guarantees of members of Sikka family and by mortgage of land admeasuring 22,240 sq. metres situated at Plot No. GH-4C, Sector-10, Greater Noida, Uttar Pradesh.
- iii. The respondent No. 2, financial creditor initiated proceedings under Section 7 against the principal borrower, corporate guarantors and personal guarantors. Applications against principal borrower, corporate guarantor as well as proceedings under Section 95 of the Insolvency and Bankruptcy Code, 2016 (for short the IBC or the Code) against the personal guarantor were admitted.

- iv. Against the orders admitting CIRP against the principal borrower and the corporate guarantor as well as against the personal guarantors, appeals were filed in this Tribunal. Comp. App. (AT) (Ins.) No.1836/2024 filed against the order initiating CIRP against the principal borrower vide order dated 20.09.2024. This Tribunal permitted the Sikka Group to deposit Part IV amount i.e., ₹76,25,21,262/-.
- v. In pursuance of the order passed in Comp. App. (AT) (Ins.) No.1836/2024, appellant to show his *bona fide* deposited ₹55 crore before this Tribunal. The financial creditor and Sikka Group entered into settlement. Both the parties having made statement before this Tribunal that settlement has been entered. This Tribunal permitted withdrawal of company appeal by order dated 15.04.2025, with respect to principal borrower and Comp. App. (AT) (Ins.) No. 2187/2024 with respect to corporate debtor by order dated 24.04.2025 and permitted the financial creditor to file the application under Section 12A read with Regulation 30A for withdrawal of the CIRP.
- vi. A Settlement Agreement was entered between the parties on 09.05.2025, where parties agreed for withdrawal of CIRP proceedings against all proceedings initiated for CIRP against the principal borrower, corporate debtor as well as personal guarantors. Total settlement amount was fixed as ₹210 crore. ₹55 crore was already paid. ₹40 crore was paid at the time of execution of the Agreement and ₹25

crore was to be paid within 30 days of commencement date and ₹90 crore was paid within 90 days of commencement date.

- vii. Settlement Agreement also contemplated that on consequent of default, financial creditor has right to revive the insolvency proceedings and right to sell the mortgage land until full and final payment of all dues. After settlement dated 09.05.2025, an application under Section 12A was filed before the NCLT for withdrawal of IB 143(ND)/2022.
- viii. Adjudicating authority held that the Orbis Trusteeship Services Private Limited is a sole financial creditor *qua* the corporate debtor who has preferred the application under Section 12A, the application was allowed and C.P. (IB) No.143(ND)/2022 is dismissed as withdrawn, which order was passed on 31.07.2025.
- ix. Order dated 31.07.2025 was uploaded on the website on 26.08.2025. On 28.08.2025, financial creditor issued notice to the principal borrower, corporate debtor and the personal guarantors, communicating that amount of ₹25 core is due on 30.08.2025. It was communicated that notice is given that failure to make the said payment by deadline shall amount to breach of Settlement Agreement and Debenture Trustee may proceed to invoke, enforce all rights and remedies available under the Settlement Agreement. The said notice was replied on 29.08.2025 by corporate debtor communicating that order dated 31.07.2025 although was orally pronounced but it was

signed and uploaded on 26.08.2025, hence the 30 days period for payment is due on or before 25.09.2025.

- x. Financial creditor, however, proceeded to file an application I.A.83/2025 on 09.09.2025 praying for revival of the C.P. (IB) No.143/2022 on the ground that amount of ₹25 crore as per Settlement Agreement has not been paid by 30.08.2025 and corporate debtor's unilateral view that clock start from 26.08.2025 finds no support in the Settlement Agreement or applicable law and was plainly an attempt to evade the consequence of delay.
- xi. During the pendency of the said I.A.83/2025, the payment was made of ₹25 crore to the financial creditor which was accepted. Application came to be heard on 07.01.2026 by the adjudicating authority. Adjudicating authority noticed that amount of ₹120 crore, out of Settlement amount of ₹210 crore has been paid and corporate debtor is in progress of arranging the balance amount of ₹90 crore.
- xii. Application was earlier deferred on 24.11.2025 and again on 10.12.2025. It was submitted by the corporate debtor that willing investor was not inclined to make investments, as the original title deeds/documents regarding mortgage properties of corporate debtor were not available. It was stated that original titles are with financial creditor.
- xiii. Adjudicating authority by the order 07.01.2026 allowed the Restoration Application and restored the CIRP which had commenced in terms of

the order dated 05.11.2024. Adjudicating authority, however, noticing the fact that order dated 31.07.2025 was passed permitting withdrawal of the CIRP and the corporate debtor has already paid amount of ₹120 crore and is making efforts to pay the balance, adjudicating authority decided to give 10 days further time to the corporate debtor to pay, during which, RP will not proceed in the matter except for purpose of procurement of documents referred to in the order. Subject to above, the application was disposed of.

- xiv. By subsequent order 13.01.2026, corporate debtor's application 112/ND/2026 praying for rectification of the order dated 07.01.2026 was disposed of by replacing the word "conceded" with word "agreed to". It was after the aforesaid the corporate debtor filed an application I.A.312/ND/2026 dated 17.01.2026 praying for extension of 90 days to the corporate debtor to make payment to the debenture holder in terms of the order dated 09.05.2025 with other prayers. The prayers made in I.A. 312/2026 is as follows:

"a. Grant an extension of 90 (ninety) days to the Applicant/ Corporate Debtor to make payment to the Debenture Holders in terms of the settlement dated 09.05.2025;

b. Direct that during the said extended period, the CIRP shall continue only in a facilitative and non-coercive manner, in line with the orders dated 07.01.2026 and 13.01.2026;

c. Permit the Corporate Debtor to complete investor due diligence, obtain requisite debenture holder authorisations, and effect payment in a legally compliant manner; and

d. Pass such other or further orders as this Hon'ble Tribunal may deem fit in the interest of justice.”

- xv. In the application 312/2026, corporate debtor pleaded that after the order 07.01.2026, IRP had taken the steps for procuring the certified copy of the lease deed in respect of project land. Corporate debtor has also cooperated with the IRP. It was pleaded that process for regularisation and verification of title documents and completion of investor lead due diligence is presently underway and reasonable limited period is required to enable the investor to complete its internal approvals and facilitate in favour of funds. Prayer of 90 days was consequently made.
- xvi. The application was heard by adjudicating authority on 21.01.2026 and by order dated 21.01.2026, the said application has been disposed of. Adjudicating authority after noticing the prayers made in the application and further that the amount of ₹120 crore have already been paid, it was directed that reverse CIRP made in terms of the order dated 07.01.2026 would continue till 04.02.2026. The application was accordingly disposed of.
- xvii. As noted above the Comp. App. (AT) (Ins.) No.256/2026 has been filed against the order dated 21.01.2026, and other two appeals have been filed against the order dated 07.01.2026 and 13.01.2026.

4. We have heard learned Sr. counsels Mr. Abhijeet Sinha & Mr. Sumant Batra appearing for the appellants. Learned counsel Mr. Abhishek Anand has appeared for the Resolution Professional (RP). Learned Sr. counsel Mr. Gopal

Jain has appeared for respondent No. 2, the financial creditor and respondent No. 5. Learned counsel Mr. Sumesh Dhawan has appeared for respondent No. 3 and learned Sr. counsel Mr. Krishnendu Datta has appeared for respondent No. 4.

5. Learned counsel for the appellant in support of the appeal contends that corporate debtor and other principal borrower and personal guarantor from very beginning has been making efforts to settle the debts of the financial creditor. The corporate debtor, the entire group using all its resources has made various offers for liquidating the debt of the financial creditor. Amounts were also deposited in the appeals filed in this Tribunal, challenging the initiation of CIRP against the principal borrower. It is submitted that ultimately both the parties decided to settle their issues on settlement amount of ₹210 crore, which settlement led to withdrawal of CIRP against the corporate debtor by order dated 31.07.2025 on an application filed under Section 12A by the financial creditor itself. It is submitted that amount of ₹55 crore was already paid and further amount of ₹40 crore was paid on the execution of the Settlement. Further amount of ₹25 crore was also paid, although with little delay. Amount outstanding was only ₹90 crore for which corporate debtor has made all its efforts, the Noida Authority were approached for accepting a co-developer, which Noida Authority accepted the proposals made. It is submitted that due to original titles not being available, the investor backed out. The monetisation plan could not be fructified. The appellant has bona fide making all efforts to pay the balance amount of ₹90 crore but due to facts beyond the control of the corporate debtor amount could

not be paid. It is submitted that Restoration Application 83/2025 was filed alleging non-payment of ₹25 crore, which was the basis of the application, which amount having been paid and accepted very basis of Restoration Application was unfounded. The financial creditor proceeded to press the said application which was ultimately allowed on 07.01.2026. It is submitted that financial creditor with whom corporate debtor has entered into settlement was duty bound to extend all corporation to complete the monetisation of the assets from which investment was to be received. Financial creditor having been informed that order on 31.07.2025 has been uploaded only on 26.08.2025, hence amount could not be immediately procured from investor, rushed and filed the application on 09.09.2006 for reviving the CIRP. The steps taken by the financial creditor only indicate that the CIRP is being used by the financial creditor as a recovery mechanism. The Settlement having been entered and CIRP having been withdrawn, adjudicating authority ought not to have revived the CIRP when the corporate debtor was willing and making efforts to pay the balance amount. Admittedly, out of ₹210 crore, ₹120 crore was already paid and received by the financial creditor. After receiving a substantial amount, it is not open for the financial creditor to pray for revival. It is further submitted that by I.A.112/2026 was filed by the corporate debtor, since the corporate debtor never conceded to revive the CIRP. Corporate debtor only conceded that given sometime, the corporate debtor shall make the balance payment and RP be directed to procure the all relevant documents. Application for rectification was allowed on 13.01.2026. It is submitted that in I.A.312/ND/2026 prayer was made to

grant extension of 90 days, which 90 days has not been allowed by the adjudicating authority rather time till 04.02.2026 was only allowed up to which the RP was directed not to proceed with the CIRP. The time which was prayed by the appellant was a reasonable time for completion of the monetisation of the assets from which the fund was to be generated for payment of settlement amount. The objectives of the IBC proceedings are to revive the corporate debtor. CIRP proceedings cannot be used as methodology to hostile takeover of the assets of the corporate debtor. The corporate debtor having undertaken to pay the balance amount, CIRP ought not to have been revived. Appellant is still ready and willing to liquidate the balance amount of ₹90 crore. Action of financial creditor in rushing to the adjudicating authority for revival is not in accordance with the objective of the IBC.

6. Learned counsel appearing for the financial creditor, Respondents No. 2 & 5 submits that the ample opportunity was given to the corporate debtor to make the payment of settlement amount as per settlement terms. Amount of ₹25 crore was to be paid within 30 days of the commencement date. Commencement date being the date on which the order was passed by the adjudicating authority for making withdrawal of the CIRP. Corporate debtor committed breach in not making payment on 30.08.2025. As per settlement agreement, consequence of default is provided in clause 2, which provides that any default in payment of any tranche of settlement amount will result in immediate termination of the Agreement. On non-payment of the tranche which was payable by 30.08.2025, Settlement Agreement has been terminated. It is submitted that formerly the Settlement Agreement has now

been terminated by email dated 22.01.2026. It is submitted that on default having been committed by the corporate debtor in making the payment as per the Settlement Agreement, adjudicating authority has rightly revived the CIRP proceedings vide order dated 07.01.2026. Order dated 07.01.2026 is a consent order, where the counsel for the corporate debtor conceded/agreed for revival of the CIRP, hence no appeal can be filed against the consent order. It is submitted that ample opportunity was granted by the adjudicating authority to the corporate debtor to make the balance payment of ₹90 crore in which he failed, hence the order dated 07.01.2026 was passed. There is no error in the order dated 21.01.2026, by which order opportunity was again granted to the corporate debtor to make payment by 04.02.2026. It is submitted that present is a case where debt and default is neither disputed nor it is the case of the appellant that appellant has not failed to honour the settlements.

7. Learned counsel appearing for the RP submitted that in pursuance of the order dated 07.01.2025, IRP immediately wrote to both the suspended directors and the financial creditors to provide original title deeds/property documents for implementation of settlement. Email dated 08.01.2026 has been sent to the appellant and affidavit was also filed by the appellant that property document in respect of land bearing plot Plot No. GH-4C, Sector-10, Greater Noida, Uttar Pradesh are not in possession of custody of the corporate debtor, which title deeds were deposited with Orbis Trusteeship Services Pvt. Ltd. Orbis Trusteeship Services Pvt. Ltd. also wrote to the IRP on 08.01.2026, informing that first charge on the land of Greater Noida, UP, and the lease deed was executed on 10.12.2015 between Greater Noida and principal

borrower. Financial creditor informed that no original title documents were submitted with the financial creditor. RP also wrote to the Chief Executive Officer of the Greater Noida for issuance of duplicate certified copy of the documents pertaining to Plot No. GH-4C, Sector-10, Greater Noida, Uttar Pradesh. Learned counsel for the RP submitted that RP has obtained copy of the lease deed from Noida Authority and necessary documents have been given to the suspended directors.

8. Learned counsel appearing for the respondent No. 3 has also submitted that there is no illegality in the order dated 07.01.2026 reviving the CIRP. Corporate debtor having failed to comply the terms of settlement, adjudicating authority has rightly revived the CIRP ample opportunities have been given to the corporate debtor to pay the balance amount. Now title deeds have also been found out and given to suspended directors. It is submitted that on breach of any terms in the Settlement Deed, there is a termination of Settlement Deed, and now the amount due is not ₹90 crore rather full amount is due and payable to the financial creditor.

9. Learned Sr. counsel appearing for the respondent No. 4 also reiterated the above submissions.

10. We have considered the submissions of the counsel for the parties and perused the records.

11. It is an admitted fact that financial creditor and the corporate debtor and other group companies and personal guarantors have settled their disputes and Settlement Agreement was entered between the principal

borrower, corporate debtor, personal guarantors, Orbis Trusteeship Services Pvt. Ltd. and Standard Capital Markets Limited, the prospective debenture holders and the buyers who were to acquire the shareholding of the Noyal Buildtech Private Limited. Settlement amount was fixed as ₹210 crore as full and final settlement. The tranches for payment have been noticed in clause 1(C) of the Settlement Agreement, which is as follows:

“1. Settlement Payment Terms

C. The Sikka Group Shall make payments in the following tranches towards the Settlement Amount:

S. No.	Date	Amount (in INR Crore)
1.	Amount already Paid	55
2.	At the time of execution of this Agreement	40
3.	Within 30 days of the Commencement Date	25
4.	Within 90 days of the Commencement Date	90
	Total	210”

12. It was after Settlement Agreement dated 03.05.2025, an application under Section 12A was filed by the financial creditor being I.A. No.2874/2025, under Section 12A for withdrawal of the CIRP being C.P. IB 143/ND/2022. Adjudicating authority in detail noticed all relevant facts. Adjudicating authority also found that the Orbis Trusteeship Services Pvt. Ltd. is the sole financial creditor *qua* corporate debtor. Operative portion of the order of the adjudicating authority allowing 12A application is as follows:

*“In the wake of the aforementioned, particularly the Applicant i.e. Orbis Trusteeship Services Private Limited, is sole Financial Creditor qua the Corporate Debtor and had preferred the present application for withdrawal of IB-143/ND/2022, the **IA is allowed and IB-143/ND/2022 is dismissed as withdrawn.**”*

13. It is the case of the appellant that although order dated 31.07.2025 was passed for making withdrawal, but the order dated 31.07.2025 could be uploaded only on 26.08.25, the financial creditor on 28.08.2025 immediately issued notice to the corporate debtor, principal borrower and personal guarantor putting the corporate debtor to notice that, in event the payment is not made by 30.08.2025, the financial creditor shall proceed to invoke and enforce its right. It is useful to notice letter dated 28.08.2025, which is stated as follows:

“Accordingly, the third tranche of INR 25 Crores stands due and payable on or before 30

August 2025.

You are hereby formally called upon and directed to remit the aforesaid sum of INR 25 Crores on or before 30 August 2025 strictly in accordance with the terms of the Settlement Agreement.

Take notice that failure to make the said payment by the stipulated deadline shall amount to a breach of the Settlement Agreement. in such event, the Debenture Trustee shall, without any further correspondence, proceed to invoke and enforce all rights and remedies available under the Settlement Agreement, the transaction documents including TD-1 and DTD-2, and applicable law, including but not limited to initiating legal and enforcement proceedings. All costs and consequences thereof shall be to your account.

This notice is issued on behalf of and for the benefit of the Debenture Holders and is without prejudice to all their rights, remedies and entitlements in law and in equity

Yours faithfully,”

14. The above letter was immediately replied by corporate debtor, pleading that 30 days’ timeline would commence from date from 26.08.2025, on which

date the order was uploaded. Reply to legal notice was given in following manner:

“To

Date: 29.08.2025

Orbis Trusteeship Services Pvt. Ltd.

4A, Ocus Technopolis

Sector-54.

Golf Club, Gurgaon-122002

Subject: Reply to Legal Notice dated 28.08.2025 regarding Second Tranche under Settlement Deed

Dear Sir(s),

We write in response to your Notice dated 28.08.2023 demanding payment of the second tranche under the Settlement Deed executed between the Companies.

At the outset, we wish to reaffirm our commitment to the settlement and to its timely implementation. The first tranche has already been paid in time, which demonstrates our bona fides and intent to fully comply with the agreed terms.

With respect to the second tranche, the Settlement Deed clearly provides that the 30-day timeline would commence from the date of passing of the withdrawal order by the Hon'ble NCLT. Although the matter was orally pronounced on 31.07.2025, the order was neither signed nor uploaded at that stage. As is well established, an order is deemed to have been passed only when it is signed and dated by the Hon'ble Bench.

In this case, despite repeatedly mentioning before the Bench, the order was signed and uploaded only on 26.08.2025. Accordingly, the 30-day period for payment of the second tranche runs from 26.08.2025 and is due on or before 25.09.2025.

We are fully prepared to make the payment within this period in terms of the Settlement Deed. We trust this clarifies our position and assures you of our continued commitment to closing this matter amicably.

Yours sincerely

For Nobal Buildtech Pvt. Ltd.

(Authorized Signatory)”

15. It is relevant to notice that the financial creditor proceeded to file an application I.A. 83/2025 praying for revival of the CIRP on account of default of non-payment of ₹25 crore within 30 days. In the application, after narrating earlier facts in paragraphs 2(x) and (xi) following was pleaded:

“2. The facts which have resulted in filing of the instant application are as under:

(x) Clause 1(B) of the Settlement Agreement clearly ties the commencement of the payment timelines to the passing of the NCLT's withdrawal order, which occurred on 31.07.2025. Thus, the 30-day period for the INR 25 Crore tranche ran from 31.07.2025 and expired on 30.08.2025. The Corporate Debtor's unilateral view that the clock starts from 26.08.2025 finds no support in the Settlement Agreement or applicable law, and was plainly an attempt to evade the consequences of its delay.

(xi) In view of the foregoing, it is evident that the Corporate Debtor defaulted under the Settlement Agreement by failing to pay the tranche of INR 25 Crores by 30.08.2025. Clause 2 of the Settlement Agreement, titled "Consequences of Default", squarely addresses this situation. It provides, inter alia, that any default in payment of any tranche of the Settlement Amount "will result in immediate termination of this Agreement", and that the Debenture Trustee (on behalf of the NCD holders) "continues to have, hold and retain all rights and remedies" under the original financing documents and law, "including the right to revive the insolvency proceedings", until full and final payment of all dues is received. In other words, upon a default, the entire settlement stands vitiated and the Financial Creditor's enforcement rights are fully restored, as if no compromise had been reached (save that any part payments already made are to be adjusted against the total liability).”

16. Appellant's case is that amount of ₹25 crore on breach of which RA 83/2025 was filed, was subsequently paid and received by the financial

creditor, which fact is not disputed. It is an admitted case of the parties that now only an amount of ₹90 crore is due, which has not been paid.

17. By order dated 07.01.2026 adjudicating authority has allowed the application RA 83/2025, however, while allowing the RA 83/2025, adjudicating authority exercised its jurisdiction under Rule 11 of the NCLT Rules, 2016 extended for a period of limited 10 days during which period RP was to hold back and will not proceed with CIRP except to the extent of procuring the documents leading by its ex-management in its endeavour to implement the Settlement. It is useful to notice following observations of the adjudicating authority:

“...Nevertheless, since a lot water could flow after the aforementioned order and in the wake of the order passed by Hon'ble NCLAT, we could pass the order dated 31.07.2025 and thereafter in Civil Suit (Comm) 6/2026, the Hon'ble High of Court of Delhi passed order dated 06.01.2026, we are inclined to exercise our discretion in terms of the provisions of Rule 11 of the NCLT Rules, 2016 to the extent that for a limited period of 10 days the RP will hold back and will not proceed with the CIRP except to the extent of procuring the documents needed by the ex-management in its endeavor to implement the settlement and pay the balance amount in terms thereof to the FC. In a way, for a period of 10 days, the RP will conduct the process only in the nature of reverse CIRP to facilitate the suspended management to pay the balance amount in terms of the settlement...”

18. Adjudicating authority thus was well aware that ex-management is making all endeavours to implement the settlement and pay balance amount of ₹90 crore for which purpose the adjudicating authority has asked the RP to hold back. Adjudicating Authority, however, observed that in the event, the payment is made within 10 days, the order dated 31.07.2025 will become

operative and CIRP shall stand terminated. Following observations are made by the adjudicating authority by disposing of the application:

*“...Nevertheless, for 10 days the RP will hold back and will not proceed in the matter except for the purpose of procurement of the documents referred to hereinabove / duplicates thereof. In the event of making the payment by the Corporate Debtor to the Financial Creditor within 10 days, the order dated 31.07.2025 will become operative and the CIRP will stand culminated /terminated without there being any requirement of filing any further application by either of the parties and the CD will be relieved of all the rigorous of CIRP. As has been directed hereinabove, if payment in terms of the settlement is not made within 10 days, the CIRP will be regulated in terms of the IBBI (CIRP) Regulations, 2016 and the RP will discharge all such functions, he is required to perform as the relevant provisions of IBC and aforementioned regulations for the purpose of resolution of insolvency of CD. It is also amplified that the procurement of the documents referred to hereinabove or duplicate thereof would not be sine qua non for payment of balance amount within 10 days from today. We expect the RP to act promptly in the direction of procurement of documents/ duplicates thereof (ibid). **Subject to aforementioned, the application stand disposed of...**”*

19. It was after 07.01.2026, IRP issued notice to the suspended director and the financial creditor. Financial creditor has informed RP that first charge holder is the Greater Noida and it had not received the original documents. RP has made endeavour and obtained copy of the lease deed from the Noida Authorities. The application 312/2025 was filed by the corporate debtor, giving events and facts subsequent to the order dated 07.01.2026. It was pleaded by the corporate debtor that corporate debtor all times have cooperated with the IRP. IRP, after the order dated 07.01.2026 has

approached procured the certified copy of the lease did in respect of the project. In paragraphs 5 & 6 of the application, following has been pleaded:

“5. That in the continuum of steps undertaken pursuant to the orders of this Hon’ble Tribunal, the process of regularisation and verification of title documentation and completion of investor-led due diligence is presently underway. In this backdrop, the Applicant respectfully submits that a reasonable and limited period is required to enable the proposed investor to complete its internal approvals and to facilitate infusion of funds, so as to discharge the balance amount payable under the settlement in an orderly and compliant manner.

6. That the present Application is confined to seeking a reasonable extension of time of 90 (ninety) days to enable the Caproate Debtor to make payment to the Debenture Holders under the settlement, without triggering coercive insolvency consequences, and to ensure that the very purpose of the orders dated 07.01.2026 and 13.01.2026 is fulfilled in substance and not defeated by procedural or commercial impracticability.”

20. In paragraph under the heading grounds for seeking extension, several facts have been pleaded. It was also pleaded that factum or transfer of debentures to Standard Capital Market Limited was not placed before the Tribunal at the time of passing of the order, whereas earlier debenture holders had transferred debenture exposure to third-party namely Standard Capital Market Limited for which debenture sale and purchase agreement dated 09.05.2025 was executed. It was further pleaded that granting 90 days has cause no prejudice whatsoever to the creditor or the debenture trustee. In paragraphs 16 & 17, following was pleaded:

“16. It is respectfully submitted that granting a limited extension of ninety (90) days would cause no prejudice whatsoever to the creditor or the Debenture Trustee, inasmuch as the Corporate Insolvency Resolution

Process already stands restricted by judicial order, no Committee of Creditors has been constituted, no third-party rights have crystallised, and the underlying debt continues to remain fully secured at all material times.

17. That on the other hand, refusal of reasonable time would frustrate an otherwise viable settlement, contrary to the settled principle that insolvency proceedings should not be continued where settlement is bona fide and achievable.”

21. As noted above the adjudicating authority, noted the prayers made in I.A.312/2026, however, accepted the prayer for extending the time only till 04.02.2026 that is for a period of two weeks only. Appellant aggrieved by the order 21.01.2026 has filed Comp. App. (AT) (Ins.) No. 256/2026, as noted above.

22. In the present appeals, one of the important facts relevant to notice is that financial creditor i.e., Orbis Trusteeship Services Pvt. Ltd. is only financial creditor in the CIRP of the corporate debtor, which facts have been noted while allowing the 12A application filed by the Orbis Trusteeship Services Pvt. Ltd. in its order dated 31.07.2025. Orbis Trusteeship Services Pvt. Ltd. is the financial creditor of the corporate debtor. Hon'ble Supreme Court had occasion to consider the pivotal role to be played by the financial creditor in the CIRP resolution of the corporate debtor. In this context, we need to notice the judgement of the Hon'ble Supreme Court in the matter of **'Swiss Ribbons Private Limited & Anr.' Vs. 'Union of India & Ors.'** reported in **[(2019) 4 SCC 17]**. Hon'ble Supreme Court in the above case had considered the legislative scheme under Sections 7, 8 & 9 of the IBC and other related issues. Hon'ble Supreme Court held that the primary focus of the

legislation is to ensure revival and continuation of the corporate debtor. In paragraph 28 of the judgement, following has been laid down:

“28. It can thus be seen that the primary focus of the legislation is to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation. The Code is thus a beneficial legislation which puts the corporate debtor back on its feet, not being a mere recovery legislation for creditors...”

23. Further in paragraph 51, Hon’ble Supreme Court has noticed the functions of financial creditors in respect to the corporate debtor. Role of financial creditor was held to be quite different from the operational creditors, who were also to preserve the corporate debtor as a going concern. In paragraph 51 of the judgement, following was laid down:

“51. Most importantly, financial creditors are, from the very beginning, involved with assessing the viability of the corporate debtor. They can, and therefore do, engage in restructuring of the loan as well as reorganisation of the corporate debtor's business when there is financial stress, which are things operational creditors do not and cannot do. Thus, preserving the corporate debtor as a going concern, while ensuring maximum recovery for all creditors being the objective of the Code, financial creditors are clearly different from operational creditors and therefore, there is obviously an intelligible differentia between the two which has a direct relation to the objects sought to be achieved by the Code.”

24. Hon’ble Supreme Court in **[(2020) 8 SCC 401]** in the matter of **‘Anuj Jain, Interim Resolution Professional for Jaypee Infratech Limited’ Vs. ‘Axis Bank Ltd. & Ors.’** had again reiterated that financial creditors under the IBC has been concerned with the majority rather pivotal role in the process contemplated by Part – II, who is involved from very beginning with the corporate debtor and is indeed engaged in restructuring of the loan as well

as reorganisation of the corporate debtor business, when there is a financial stress. In paragraph 42.3 following was observed:

“42.3. The enunciation aforementioned illuminates the reasons as to why at all a financial creditor is conferred with a major, rather pivotal, role in the processes contemplated by Part II of the Code. It is the financial creditor who lends finance on a term loan or for working capital that enables the corporate debtor to set up and/or operate its business; and who has specified repayment schedules with default consequences. The most important feature, as this Court has said, is that a financial creditor is, from the very beginning, involved in assessing the viability of the corporate debtor who can, and indeed, engage in restructuring of the loan as well as reorganisation of the corporate debtor's business when there is financial stress. Hence, a financial creditor is not only about in terrorem clauses for repayment of dues; it has the unique parental and nursing roles too. In short, the financial creditor is the one whose stakes are intrinsically interwoven with the well-being of the corporate debtor.”

25. It is also relevant to notice that in Supreme Court in **[(2022) 3 SCC 161]** in the matter of **‘E.S. Krishnamurthy & Ors.’ Vs. ‘Bharat Hi-Tecch Builders Private Ltd.’** has held that settlement have to be encouraged because the ultimate purpose of the IBC is to facilitate the continuation and rehabilitation of the corporate debtor. In the above case, Section 7 application which was filed for initiating CIRP by the financial creditor was not admitted and adjudicating authority directed the respondent to settle the claims within three months, which order came to be challenged by the Hon’ble Supreme Court. In the above context following observations was made in paragraph 35 of the judgement:

“35. Undoubtedly, settlements have to be encouraged because the ultimate purpose of IBC is to facilitate the

continuance and rehabilitation of a corporate debtor, as distinct from allowing it to go into liquidation. As the Statement of Objects and Reasons accompanying the introduction of the Bill indicates, the objective of IBC is to facilitate insolvency resolution “in a time-bound manner” for maximisation of the value of assets, promotion of entrepreneurship, ensuring the availability of credit and balancing the interest of all stakeholders. What the adjudicating authority and appellate authority, however, have proceeded to do in the present case is to abdicate their jurisdiction to decide a petition under Section 7 by directing the respondent to settle the remaining claims within three months and leaving it open to the original petitioners, who are aggrieved by the settlement process, to move fresh proceedings in accordance with law. Such a course of action is not contemplated by IBC.”

26. Hon’ble Supreme Court thus has categorically laid down that ultimate purpose of IBC is to facilitate continuation and rehabilitation of the corporate debtor. Reverting to the facts of the present case after entering Settlement between the financial creditor and the corporate debtor, CIRP was withdrawn under Section 12A by order dated 31.07.2025, out of settlement amount of ₹210 crore, ₹120 crore had already been paid. Appellant’s case is that due to unavailability of the title deeds of the mortgage land, there was difficulty in monetisation of the assets and it was only after order dated 07.01.2026, RP took steps by publishing notice for obtaining the title deeds of the mortgage land. It is further to be noticed that corporate debtor throughout has been pleading that it is willing to honour the settlement and pay the balance amount of ₹90 crore and by the application 312/ND/2026, time of 90 days was prayed for. We have noticed above that adjudicating authority vide order dated 21.01.2026 only allowed two weeks’ time till 04.02.2026.

27. In the present appeal, the protection which was granted by the adjudicating authority vide order dated 21.01.2026 till 04.02.2026 was continued. We have already noted the pleadings in I.A.312/2026, where it was pleaded that process of regularisation and verification of title documents and completion of investor led due diligence is presently underway. Reasonable and limited period was required to enable the proposed investor to complete its internal approvals and to facilitate infusion of funds. Adjudicating authority in the order dated 21.01.2026 although has not adverted to the pleadings in the application and facts pleaded, however granted limited protection for a period of two weeks. We are of the view that appellant has made out a case for grant of period of 90 days as prayed in I.A.312/ND/2026 to implement the settlement by paying the balance of ₹90 crore.

28. Adjudicating authority itself has permitted withdrawal of CIRP vide order dated 31.07.2025 settlement was entered, which appellant is claiming to implement. The reason regarding non-availability of the title deeds was also noted and pleaded before the adjudicating authority, which title deeds have now been procured as submitted by the learned counsel for the RP. We, thus are satisfied that sufficient cause was made out in the I.A.312/ND/2026 to grant 90 days' time to appellant to make payment to the debenture holders in terms of settlement dated 09.05.2025. Application 312/ND/2026 deserves to be allowed in the facts of the present case.

29. We thus are of the view that order dated 21.01.2026, deserves to be modified by allowing I.A.312/ND/2026. Period of 90 days as prayed in the application shall commence from date of passing of this order.

30. In result, all the appeals are disposed of in following manner:

- i. I.A.312/2026 filed by the appellant is allowed. Order dated 21.01.2026 passed by the adjudicating authority is modified to the above extent.
- ii. In event, appellant is able to make payment of ₹90 crore as per Settlement Deed dated 09.05.2025 within the period of 90 days, the order dated 31.07.2025, withdrawing the CIRP shall become operative and CIRP shall stand terminated as already contemplated in the order dated 07.01.2026.
- iii. The financial creditor, RP shall render all necessary assistance to the corporate debtor towards implementation of Settlement Deed dated 09.05.2025.

Parties shall bear their own costs.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

NEW DELHI

25th February, 2026

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