



**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.01**

**IA(IBC) 1088/2025**

**CP(IB) No. 48/BB/2023**

**IN THE MATTER OF:**

M/s Piramal Enterprises Ltd ... Applicant

Vs.

M/s Gulam Mustafa Enterprises Pvt Ltd ... Respondent

**Petition under Sec 7 of I & B Code, 2016**

**Order delivered on: 26.05.2026**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**COUNSELS PRESENT:**

For the Petitioner : Shri Arjun Rao

For the respondent : Shri A.S Vishwajith

**ORDER**

1. IA (IBC) 1088/2025 is dismissed, vide separate order.
2. List the matter on **04.06.2026** for hearing.

**-Sd/-**

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd/-**

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under*

*The Insolvency and Bankruptcy Code, 2016)*

*(Through Web-Based Video Conferencing)*

**IA No. 1088/2025 in C.P. (IB) No. 48/BB/2023**

**U/s. 60(5) of the Insolvency and Bankruptcy Code, 2016 R/w**

**Rule 11 of the National Company Law Tribunal Rules, 2016**

**IN THE MATTER OF:**

**Gulam Mustafa Enterprises Private Limited**

Registered office at: No.6, GM Pearl,

I Stage, I Phase, BTM Layout,

Bengaluru – 560068

..... Applicant

Versus

**Piramal Finance Limited**

**(Formerly Known as Piramal Enterprises Limited)**

Registered office: Piramal Ananta,

Agastya Corporate Park,

Off. Fire Brigade Kamani Junction,

LBS Marg, Kurla (West), Mumbai – 400070

.....Respondent

**IN THE MAIN MATTER OF:**

**Piramal Finance Limited**

**(Formerly Known as Piramal Enterprises Limited)**

Registered office at Piramal Ananta,

Agastya Corporate Park,

Fire Brigade Kamani Junction, LBS Marg,

Kurla (West), Mumbai – 400070

.....Petitioner/ Financial Creditor

Vs

**Gulam Mustafa Enterprises Private Limited**

Registered office at: No.6, GM Pearl,

I Stage, I Phase, BTM Layout,

Bengaluru – 560068

... Respondent/ Corporate Debtor

**Order Delivered on: 26.05.2026**

**Coram:** Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

Shri Radhakrishna Sreepada, Hon'ble Member (Technical)



**Parties/Counsels Present:**

For the Applicant: Shri Arjun Rao

For the Respondent: Shri A.S Vishwajith

**ORDER**

1. This Application has been filed under U/s. 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 by Applicant for following reliefs: -

*(a) Directing the Respondent to issue NOC's in favour of the Applicant allowing the Applicant to sell its secured assets and deposit the same before this Hon'ble Tribunal in order to facilitate the settlement terms that have been agreed by both the parties.*

2. Brief facts of the application are given hereunder:

- a. The Company Petition bearing C.P (IB) No.48/BB/2023 was filed on 05.01.2023, under Section 7 of the Insolvency and Bankruptcy Code, 2016 by M/s. Piramal Enterprises Limited to initiate Corporate Insolvency Resolution Process ('CIRP') against the Corporate Debtor.
- b. The Applicant had challenged the filing of this Petition by way of **W.P.No.10869/2023** filed in Hon'ble High Court of Karnataka. During pendency thereof, the parties had entered into a compromise. The terms of compromise were recorded by the Hon'ble High Court and Writ Petition was disposed of.
- c. After a brief pause for some time mentions were intermittently made regarding non-withdrawal of this Company Petition by the petitioner/FC and non-compliance of terms pertaining to creation of charge, by the Respondent/CD by making reference to the terms of compromise. As the settlement remained unimplemented, this Authority directed the Applicant/CD to file objections for proceeding with the matter and on default forfeited its right vide order dated 28.11.2023.
- d. **W.P.No.24092/2023** then was filed by the Applicant before Hon'ble High Court of Karnataka. It was submitted therein, on behalf of the present applicant, on 16.01.2024 that the parties are negotiating settlement and



sought time to file memorandum of settlement or memo seeking withdrawal of the Petitions. W.P.No.24092/2023 was withdrawn on 17.01.2024.

- e. The Applicant submits that notwithstanding the aforesaid settlement, the Respondent failed to withdraw the Company Petition as contemplated therein and continued to insist upon compliance of the obligations imposed upon the Applicant under the settlement. It is stated that, withdrawal of the insolvency proceedings constituted the principal consideration for entering into the settlement and the Respondent's failure to honour the same defeated the object and purpose of the compromise arrived at before the Hon'ble High Court of Karnataka.
- f. Meanwhile during the pendency of the present Petition, Corporate Debtor was admitted to CIRP in a different case being C.P. (IB) No.105/BB/2023 vide Order dated 29.02.2024. The main petition C.P (IB) No.48/BB/2023, therefore was disposed of with Petitioner given liberty to approach this Authority with an application in the event matter is settled between the Parties in CP (IB) No.105/BB/2023.
- g. Upon admission of the Corporate Debtor into CIRP in C.P. (IB)No.105/BB/2023, one of its Director filed Company Appeal (AT) (CH) (Ins.) No.131/2024 before the Hon'ble NCLAT, Chennai on 31.03.2024. Pursuant to an order dated 22.04.2024 passed therein, the CIRP remained in abeyance to enable the conclusion of the settlement process. In light of the aforesaid Orders, the CoC of the Corporate Debtor in that case was not formed. During the pendency of the Appeal, the parties in said case mutually settled the dispute and withdrawal of the C.P. (IB) No.105/BB/2023 under Section 12A of the Code was allowed vide order dated 29.01.2025 passed in I.A (IBC) No.878/2024 in C.P. (IB) No. 105/BB/2023.
- h. On closure of C.P. (IB) No. 105/2023, the Respondent herein filed an application seeking restoration of C.P. (IB) No. 48/2023. The said restoration application came to be allowed on 23.05.2025 without issuance  
**IA No. 1088/2025 in C.P. (IB) No. 48/BB/2023**



of notice to the Applicant. Aggrieved thereby, the Applicant approached the Hon'ble High Court of Karnataka in **W.P. No. 17057/2025** which was disposed of on 17.07.2025 by directing this Authority to consider the objections of Applicant to the restoration of Petition in its Application seeking recall of Order dated 23.05.2025 and the said issue be considered in accordance with the overall scheme of the Insolvency and Bankruptcy Code and the Rules framed thereunder.

- i. The Applicant submits that thereafter it made sincere efforts to amicably resolve the disputes between the parties and sought an opportunity before this Adjudicating Authority to settle the matter. In furtherance thereof, the Applicant expressed its willingness to make an immediate payment of Rs.50 Crores in addition to the amounts already paid to the Respondent. However, the Respondent filed a Memo dated 22.08.2025 expressing its unwillingness to participate in settlement discussions and rejected the proposal put forth by the Applicant.
- j. The Applicant contends that it continues to be willing and ready to comply with the settlement terms and discharge the outstanding liabilities owed to the Respondent and it is stated that substantial payments aggregating to approximately Rs.50 Crores have already been made to the Respondent and the Applicant had additionally expressed its readiness to make further payments towards complete settlement of the debt.
- k. It possesses valuable immovable assets and ongoing real estate projects, the value of which substantially exceeds the amounts claimed in the present proceedings. According to the Applicant, it has identified prospective investors and purchasers who are willing to invest in or acquire certain secured assets of the Applicant, the proceeds whereof would enable the Applicant to clear all outstanding dues and avoid initiation of Corporate Insolvency Resolution Process.
- l. The assets proposed to be sold are presently mortgaged in favour of the Respondent as well as India Housing Fund Series, which is an Intervening Applicant and Petitioner in C.P. (IB) No. 90/2025. Consequently, the



- Applicant is required to obtain 'No Objection Certificates' from the secured creditors before any transaction concerning the secured assets can be concluded.
- m. The Applicant submits that despite being informed of the proposed transaction and participated in discussions with the prospective investor, the Respondent has refused to issue the requisite 'No Objection Certificates'. According to the Applicant, such refusal is arbitrary and contrary to the interests of all stakeholders, since the proposed transaction would facilitate repayment of the debts owed to the secured creditors.
  - n. The refusal to issue 'No Objection Certificates' jeopardises the interests of several homebuyers who have invested substantial sums in the Applicant's projects. The Applicant contends that the projects are substantially completed and that permitting the sale of secured assets would facilitate completion of the projects, safeguard the interests of homebuyers and enable repayment of the debts due to the creditors.
  - o. In the interests of justice, equity and maximisation of value, therefore, this Authority may exercise its powers under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 and direct the Respondent and other secured creditors to deposit or issue the requisite 'No Objection Certificates' so as to enable the Applicant to proceed with the proposed transaction under the supervision of this Authority and utilise the sale proceeds towards discharge of the outstanding liabilities.
3. We have heard arguments on behalf of the parties and carefully considered the material on record.
4. In compliance of orders of Hon'ble High Court, I.A.No.761/2025 filed by the applicant seeking recall of the order dated 23.05.2025 in Restoration application 2/2025, was heard and allowed on 07.10.2025. Subsequently even the restoration application has been allowed on 18.02.2026 and the Company Petition 48/2023 restored.



5. The present application seeks direction to the Respondent/Financial Creditor to issue 'No Objection Certificates' to enable sale of certain secured assets identified for monetisation and repayment of outstanding liabilities.
6. The Application seems to rest on twin parameters; one is the settlement recorded between the parties and other resolution efforts being made by involving a third-party investor with whom the respondent is stated to have deliberated but not acknowledging. It has been contended that refusal of the secured creditors to issue NOCs is arbitrary and detrimental to the interests of stakeholders, including homebuyers.
7. We are unable to persuade ourselves to accept the aforesaid contention as the relationship between a secured creditor and a borrower is governed by contractual arrangements creating security interests over specified assets and a 'No Objection Certificate' enabling alienation of secured assets cannot be claimed as a matter of right. Moreover, whether such consent ought to be granted or withheld falls primarily within the commercial domain of the secured creditor, subject to the terms governing the security and the applicable law. It has to be kept in consideration that the detailed request on behalf of the applicant in e-mail dated 25.11.2025 did not find favour with the respondent/FC in their reply mail dated 27.11.2025. Significantly, there is no whisper in the mail dated 25.11.2025 that the matter had been finally sorted out between the parties and the Investor on some terms.
8. The jurisdiction of this Authority under Section 60(5) of the Code may be wide yet cannot be used to compel a secured creditor to part with or dilute its security interest merely because the Corporate Debtor proposes an alternate mechanism for repayment particularly when the FC is not convinced about the proposed terms of resolution in terms of quantum and timelines. The Applicant seeks, in substance, a mandatory direction requiring secured creditors to consent to a proposed transaction. Such a relief cannot be granted in exercise of inherent powers under Rule 11 of the NCLT Rules, 2016 lest it tantamount to foisting terms of one party on the unwilling party on the other side.



9. While the Applicant asserts that sale of assets would protect the interests of homebuyers and other stakeholders, such considerations by themselves cannot override the proprietary and contractual rights vested in secured creditors who may also be answerable to their shareholders. Any restructuring, settlement or monetisation proposal must necessarily be worked out with the concurrence of the stakeholders whose security interests are directly affected. The Adjudicating Authority should not be seen to come to aid of one side to grave prejudice of another.
10. We are therefore of the considered view that no case is made out for exercise of powers under Section 60(5) of the Code read with Rule 11 of the NCLT Rules, 2016 for issuance of a mandatory direction to the Respondent or other secured creditors to furnish 'No Objection Certificates' in favour of the Applicant.
11. Accordingly, **IA No.1088/2025 is dismissed**. However, observations made herein are shall not prejudice the rights and contentions of the parties in any other proceedings pending between them.

-Sd/-

**(RADHAKRISHNA SREEPADA)**  
**MEMBER (TECHNICAL)**

-Sd/-

**(SUNIL KUMAR AGGARWAL)**  
**MEMBER (JUDICIAL)**