

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Ins) No. 377 of 2024 &
I.A. No. 4250 of 2024

IN THE MATTER OF:

Neeraj Walia
Suspended Board of Director of Shipra Estate Ltd.

...Appellants

Versus

IDBI Trusteeship Services Ltd. & Anr.

...Respondents

Present:

For Appellant : Mr. Abhishek Anand, Mr. Karan Kohli, Mr. Rudra Pratap, Mr. Tushar Randhawa, Ms. Palak Kalra, Ms. Shivani Gera, Mr. Rajat Gupta, Advocates.

For Respondents : Mr. Sumesh Dhawan, Mr. Abhirup Dasgupta, Mr. Ishaan Duggal, Ms. Ruchi Goyal, Mr. Shaurya Shyam and Ms. Kavya Tekriwal, Advocates for R1. Mr. Rishi Kumar Singh Gawthan, Mr. Tamilarasan Varadarasan, Advocates for R2. Mr. Abhinav Mukerji, Ms. Rushali Agarwal and Mr. Harsh Kesharia, Advocates for R3.

O R D E R
(Hybrid Mode)

30.07.2025: Heard counsel for the Appellant, Ld. Counsel appearing for the Respondent and Mr. Mukherjee appearing for Intervenor.

2. This appeal has been filed against the order passed on 24.01.2024 by which order National Company Law Tribunal, New Delhi Bench, Court-IV has admitted Section 7 application filed by IDBI Trusteeship Service Limited finding debt and default on the part of the Corporate Debtor. The appeal has been filed by the suspended board of director of M/s Shipra Estate Limited when the appeal came for consideration interim order was passed on which date counsel for the appellant submits that appellant has reached to the Financial Creditor and settlement is likely to take place on which interim

order was passed on 21.02.2024. The subsequent to 21.02.2024 on several dates the matter was taken and interim order was extended, some of the order sheets recorded the appellant's statement that settlement is under process. On 24.05.2025 it was stated before the Court that Committee of Creditors has already been constituted, it was observed that in event the settlement proposal is placed before the CoC for approval of 90% of CoC to adopt Section 12A process. On 24.05.2025 following order was passed:-

**“O R D E R
(Hybrid Mode)**

24.05.2024: *In this Appeal on 21.02.2024, we passed following order:*

**“O R D E R
(Hybrid Mode)**

21.02.2024: Learned counsel for the Appellant submits that the Appellant has reached out to the Financial Creditor and settlement is likely to take place. Learned counsel for the Financial Creditor does not dispute the statement. Parties pray that appeal be taken after three weeks. Learned counsel for the Resolution Professional submits that the CoC has already been constituted.

List this Appeal on 14.03.2024.

In the meantime, no further steps shall be taken in pursuance of the impugned order.

2. In the order it has been noted that CoC has already been constituted. Learned counsel for the Appellant submitted that Appellant is likely to settle with the Financial Creditor.

3. Two Intervention Application have also been filed and now in view of CoC having been constituted, there has to be approval of 90% of CoC for settlement of any claim.

3. In view of the above, the order dated 21.02.2024 is modified as “CoC may proceed and it will be open for the Appellant to

place settlement proposal before the CoC for approval of 90% of the CoC to adopt Section 12A process”.

4. Let Reply be filed by the Respondents within three weeks.

5. Shri Ramji Srinivasan, learned counsel for the IIFL seeks liberty to file an Intervention Application. Intervention Application may be filed within three weeks.

6. List this Appeal on 10.07.2024.”

Subsequently, on 10.07.2024 again matter was adjourned to 29.08.2025 and interim protection was extended. The interim order has been continuing from time to time. On 29.08.2024 it was noticed that the proposal was given to the CoC. On perusal of the different order sheets, orders passed in the matter from time to time indicate that the interim order was continued from time to time and today when the appeal was taken for hearing Ld. Counsel for the appellant submitted that 12A proposal has been given to the IRP on 20.07.2025. Ld. Counsel for the IRP submits that there was certain shortcoming in the proposal hence it was returned back to the financial creditor on 24.07.2025.

3. Ld. Counsel for the appellant submitted that appellant shall resubmit the proposal of 12A to the IRP. Ld. Counsel for the Financial Creditor submits that for last more than a year opportunity was taken to submit 12A application and on that ground the interim order has been continuing by which the entire CIRP Process is held up. It is submitted that in event the proposal is accepted by the CoC by 90%, application for withdrawal can be filed by the Financial Creditor and process under 12A can take place for withdrawal in accordance with law but that cannot be a ground to keep the appeal pending and continue the interim order for last more than a year.

4. The statement made on behalf of the appellant that proposal are being submitted for settlement itself accept the debt and default hence we do not find any error in the finding of Adjudicating Authority holding that debt and default is proved. Hence, the admission of Section 7 proceedings cannot be faulted. This court has granted enough opportunity to the appellant to file application under Section 12A on the ground that the appellant has settled with the Financial Creditor. Ld. Counsel for the Financial Creditor submits that the proposal submitted by the appellant is not acceptable to the CoC. The statement has made by the counsel for the CoC that proposal is not acceptable to the CoC.

5. In view of the facts as noted above, we are of the view that the ends of justice be served in closing the appeal by up-holding the order of admission dated 24.01.2024, the CIRP may proceed in accordance with law. The appellant shall at liberty to submit 12A proposal which may be considered in accordance with Section 12A and Regulation 30 of the CIRP Regulation, 2016.

Subject to the above, Appeal is dismissed.

Ld. Counsel for the appellant submits that he shall take steps to file 12A application within two weeks.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

harleen/NN