



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**DIVISION BENCH, COURT – 1, AHMEDABAD**

ITEM No.302 - Rest.App/33(AHM)2025  
in  
C.P.(IB)/165(AHM)2024

**Under Rule 11 of NCLT Rules, 2016**

**IN THE MATTER OF:**

M/s S N Global Minerals LLP  
V/s  
Aksa Paper Mills Pvt Ltd

.....Applicant

.....Respondent

**Order delivered on: 03/02/2026**

**C O R A M:**

MR. SHAMMI KHAN, HON'BLE MEMBER (J)  
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

**ORDER**  
**(Hybrid Mode)**

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

Sd/-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**



**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH, COURT-I, AHMEDABAD**

**Res. App. 33 of 2025  
In  
C.P. (IB) NO. 165 OF 2024**

*[An Application under Rule 11 of National Company Law  
Tribunal Rules 2016]*

**In the matter of**

**S.N. Global Minerals LLP**

A Limited Liability Partnership  
Having its registered office at  
501, 5<sup>th</sup> Floor, Rajhais Montessa,  
Near Le Meridian Restaurant,  
Dumas Road, Choryasi, Surat,  
Gujarat-395007.

**....Applicant**

**VERSUS**

**Aksa Paper Mills Private Limited**

Having its registered office at:  
Survey No. 334/1, Plot No.315/6,  
Morai Industrial Park, Village Morai,  
N.H. No.48 Via Vapi,  
Gujarat, India-396191

**... Respondent**

**Order Pronounced On: 03.02.2026**

**C O R A M:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)  
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**A P P E A R A N C E:**

For Applicant: Mr. Ravi Pahwa, Advocate a.w. Ms.  
Gunjan Aggrawal, Advocate  
For Respondent: Mr. Atul Sharma, Advocate



## **ORDER**

**(Per: BENCH)**

1. This Restoration Application is filed by **S.N. Global Minerals LLP/ Operational Creditor** (hereinafter referred as "Applicant"), under Rule 11 of National Company Law Tribunal Rules 2016 seeking the following prayers:

- a. to allow the present interlocutory application, in the interest of justice;*
- b. to revive/ restore CP (IB) No. 165 of 2024 and pass appropriate orders, in the interest of justice;*
- c. to grant any ancillary or consequential directions or such other and further reliefs as may be deemed fit and proper, in the interest of justice*

2. The Applicant/Operational Creditor has placed the facts through this Restoration Application in the following manner: -

- 2.1. It is submitted that the present Interlocutory Application has been filed by the Applicant, S.N. Global Minerals LLP, under Rule 11 of the National Company Law Tribunal Rules, 2016, seeking revival and restoration of CP (IB) No. 165 of 2024 in the interest of justice, since the Corporate Debtor has committed a breach of a binding settlement



which was the sole basis for setting aside the admission order.

- 2.2. It is submitted that the Applicant had originally filed a Section 9 application on 02.05.2024 seeking initiation of Corporate Insolvency Resolution Process against Aksa Paper Mills Private Limited for default in payment of operational debt.
- 2.3. It is submitted that when the petition was listed on 29.08.2024, the Corporate Debtor represented before this Tribunal that a Settlement Agreement dated 24.08.2024 had been executed between the parties, under which the Corporate Debtor agreed to pay a total sum of Rs. 2,69,38,653/- in instalments as provided in Clause 4 of the Settlement Agreement.
- 2.4. It is submitted that notwithstanding the settlement, this Tribunal, by order dated 29.08.2024, admitted the Section 9 Petition on merits and initiated CIRP against the Corporate Debtor.
- 2.5. It is submitted that the promoter of the Corporate Debtor challenged the admission order by filing Company Appeal (AT) (Ins) No. 1730 of 2024 before the Hon'ble NCLAT, New Delhi, and by judgment dated 03.09.2024, the Hon'ble NCLAT set aside the admission order dated 29.08.2024 solely in view of the Settlement Agreement, while granting liberty to the Operational Creditor to revive



the Section 9 Petition in the event of any breach of the settlement.

- 2.6. It is submitted that under Clause 4 of the Settlement Agreement, the Corporate Debtor was required to pay the principal outstanding amount of Rs. 2,69,38,653/- in 28 instalments, and the Settlement expressly provides that in case of non-receipt of the entire amount, the Operational Creditor shall have the absolute right to restore the Section 9 Petition.
- 2.7. It is submitted that against the said settlement amount, the Corporate Debtor has paid only Rs. 2,30,00,000/-, leaving a balance of Rs. 39,38,653/- unpaid, thereby committing a clear breach of the Settlement Agreement.
- 2.8. It is submitted that since the settlement has been violated, the legal consequence contemplated both under the Settlement Agreement and under the NCLAT's order dated 03.09.2024 has arisen, entitling the Applicant to revive CP (IB) No. 165 of 2024 and seek its admission.
- 2.9. It is submitted that the present application is thus maintainable under Rule 11 of the NCLT Rules, 2016, which preserves the inherent powers of this Tribunal to pass appropriate orders to secure the ends of justice and to give effect to the orders of the Hon'ble Appellate Tribunal.



3. In compliance with order dated 24.09.2025, the Respondent appeared through its Counsel and filed its reply to the IA on 25.11.2025 vide Inward No. D-7925. The following contentions were raised by the Respondent: -

- 3.1. It is submitted that the Restoration Application is misconceived, legally untenable and an abuse of the process of this Tribunal, as it is founded on selective and suppressed facts and seeks to revive insolvency proceedings in respect of a bona fide contractual settlement dispute, which is impermissible under the Insolvency and Bankruptcy Code, 2016.
- 3.2. It is submitted that pursuant to the Settlement Agreement dated 24.08.2024, the Respondent had proposed to discharge the remaining liability of Rs. 39,38,653/- by way of transfer of a land parcel of equivalent value (approx. Rs. 40 lakhs), which was initially accepted by the Applicant; however, the Applicant later unilaterally withdrew consent, thereby frustrating performance and causing the delay in completion of the settlement.
- 3.3. It is submitted that the Applicant has suppressed material facts by not disclosing that the Respondent had made substantial payments and that the delay, if any, was occasioned by the Applicant's own conduct in rejecting the agreed mode of performance. Copies of the



ledger and email correspondence evidencing this conduct have been annexed.

- 3.4. It is submitted that the alleged default is therefore not attributable to the Respondent, and there exists a genuine and bona fide dispute regarding the manner of discharge of the remaining settlement amount, which squarely falls outside the scope of Section 9 of the Code and renders revival of insolvency proceedings impermissible.
- 3.5. It is submitted that the liberty to revive granted by the Hon'ble NCLAT vide order dated 03.09.2024 is conditional and not automatic, and can be exercised only upon proof of a clear and attributable breach by the Respondent, which is absent in the present case.
- 3.6. It is submitted that the alleged shortfall of Rs. 39,38,653/- is far below the statutory threshold of Rs. 1,00,00,000/- prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016, and therefore even a fresh or revived Section 9 Petition would be non-maintainable for want of jurisdictional facts.
- 3.7. It is submitted that the insolvency framework cannot be used as a recovery mechanism for disputed or residual settlement amounts, especially in matters arising out of post-admission settlement arrangements, and that invoking insolvency jurisdiction in such cases would defeat the legislative intent of the Code.



- 3.8. It is submitted that alleged breach of a settlement does not constitute “operational debt”, since it does not arise from provision of goods or services but from a subsequent contractual arrangement, and therefore cannot be enforced through insolvency proceedings.
- 3.9. It is submitted that the inherent powers under Rule 11 of the NCLT Rules, 2016 cannot be invoked to enforce or supervise contractual settlements, as such matters fall within the domain of civil and contractual remedies and not insolvency adjudication.
- 3.10. It is submitted that the Applicant has approached this Tribunal with unclean hands and mala fide intent, having accepted payments, retained post-dated cheques, and then simultaneously alleging breach while withholding material disclosures, thereby disentitling itself to any equitable relief.
- 3.11. It is submitted that in law, a party seeking rescission or revival of proceedings after accepting substantial benefits under a settlement must first restore the benefits received, which the Applicant has failed to do, further rendering the restoration application untenable.
- 3.12. It is submitted that there exists a bona fide and substantial pre-existing dispute regarding the mode of performance of the settlement, which was discussed after 24.08.2024 and accepted by the Applicant before being



arbitrarily withdrawn, thereby excluding the matter from the ambit of insolvency jurisdiction.

- 3.13. It is submitted that since the Respondent has substantially complied with the settlement and there is no clear breach attributable to it, the condition precedent for invoking the NCLAT's liberty to revive has not been satisfied, and the present restoration application deserves to be dismissed.
4. This Tribunal vide order dated 27.01.2026, recorded that the Respondent/Corporate Debtor in his defence has relied upon the judgment of the Hon'ble NCLAT dated 06.05.2022 in ***Prafulla Purushottamrao Gadge Vs. Narayan Mangal & Ans. in Company Appeal (AT) (Ins.) No. 498 of 2022*** whereas the Applicant/Operational Creditor has relied upon the judgment of the Hon'ble NCLAT dated 14.05.2025 in ***Devika Resources Private Limited (Formerly Known as Kalinga Enterprises Private Limited) Vs. MAA Manasha Devi Alloys Private Limited [(2025) ibclaw.in 354 NCLAT]***.
5. We have heard the arguments of Ld. Counsel for the Applicant/Operational Creditor as well as Ld. Counsel for the Respondent/Corporate Debtor and perused the material



available on record. Observation and Directions by this Tribunal are as under: -

- 5.1. At the outset, it is undisputed that CP (IB) No. 165 of 2024 was admitted on merits by this Tribunal vide order dated 29.08.2024 and the said admission was set aside by the Hon'ble NCLAT solely on the basis of the Settlement Agreement dated 24.08.2024, with a specific liberty granted to the Operational Creditor to revive the petition in the event of breach of settlement.
- 5.2. The order dated 03.09.2024 passed by the Hon'ble NCLAT does not adjudicate the dispute on merits nor does it substitute the insolvency proceedings with contractual remedies. The restoration liberty granted therein is conditional but enforceable, and becomes operative upon breach of the settlement terms.
- 5.3. On perusal of Clause 4 of the Settlement Agreement dated 24.08.2024, it is evident that the Corporate Debtor undertook to pay a total amount of Rs. 2,69,38,653/- in instalments and further agreed that non-payment of the entire settlement amount shall entitle the Operational Creditor to restore the Section 9 proceedings.
- 5.4. It is an admitted position that the Corporate Debtor has paid only Rs.2,30,00,000/- and a sum of Rs. 39,38,653/- remains unpaid. The plea of discharge by way of transfer of land is neither reflected in the Settlement Agreement



nor supported by any executed document evidencing novation or alteration of contractual terms under Section 62 of the Indian Contract Act, 1872.

- 5.5. Mere exchange of correspondence or unilateral proposals cannot override the express terms of a written settlement which formed the very basis for setting aside the admission order. In absence of any amendment or supplementary settlement duly executed between the parties, the Tribunal is constrained to go strictly by the terms of the original Settlement Agreement.
- 5.6. The contention of the Respondent that the balance amount is below the threshold under Section 4 of the Insolvency and Bankruptcy Code, 2016 is **misconceived**, as the present proceedings are not a fresh initiation but a **revival of an already admitted petition**, which stood revived upon breach as per liberty granted by the Hon'ble NCLAT. The relevant date for determining the threshold under Section 4 of the Code is the date of filing of the original Section 9 application and not the date of breach of settlement.
- 5.7. The argument that breach of settlement does not constitute "operational debt" is equally untenable. The operational debt crystallised prior to admission of the petition, and the settlement only deferred enforcement. Breach of settlement does not extinguish the original operational debt nor does it create a new cause of action.



- 5.8. The reliance placed by the Respondent on the judgment of the **Hon'ble NCLAT** in ***Prafulla Purushottamrao Gadge Vs. Narayan Mangal & Ors.*** is distinguishable on facts, as in the present case, the liberty to revive was explicitly reserved by the Appellate Tribunal, which is absent in the cited judgment.
- 5.9. On the contrary, The **Hon'ble NCLAT** in ***Devika Resources Private Limited v. MAA Manasha Devi Alloys Private Limited*** has held that once a settlement fails and liberty to revive has been reserved, the creditor is entitled to restoration of insolvency proceedings as a matter of consequence.
- 5.10. The Tribunal is also mindful that insolvency proceedings cannot be reduced to a recovery tool; however, where a settlement recognized by judicial order is breached, the revival of insolvency is not recovery but restoration of a legal consequence already adjudicated.
- 5.11. The plea of unclean hands and requirement of restitution is devoid of merit particularly when the settlement itself contemplates restoration upon default. Acceptance of part payments under a settlement does not estop the creditor from enforcing the remaining obligations, especially when the settlement itself contemplates restoration upon default.
- 5.12. In view of the admitted non-payment of the entire settlement amount and absence of any legally enforceable



modification thereof, this Tribunal holds that the condition precedent for revival, as contemplated by the Hon'ble NCLAT in order dated 03.09.2024, stands satisfied and the Applicant is entitled to restoration of CP (IB) No. 165 of 2024.

6. In view of the foregoing observations and findings, the present **Res. App. 33 of 2025** is **allowed**.
7. Accordingly, **CP (IB) No. 165 of 2024** is hereby **restored to its original number** and status and restored to file.
8. Further, the Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 is again **admitted** against **Aksa Paper Mills Private Limited**, and Corporate Insolvency Resolution Process (CIRP) is hereby initiated with immediate effect.
  - (i) As a consequence, thereof, moratorium under Section 14 of Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.
    - a. *The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*



- b. *Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*
  - c. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
  - d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
  - e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*
- (ii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.
- (iii) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.



- (iv) This Tribunal hereby appoints **Mr. Sunil Kumar Kabra** having Registration No. IBBI/IPA-001/IP-P01011/2017-2018/11662, having address: Third Floor, Reegus Business Centre, New Citylight Road, Bhathan, Vesu, Surat, Gujarat, 395007 (**e-mail: jlnusco@mail.com**) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.
- (v) The IRP so appointed shall make a public announcement of the initiation of Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- (vi) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to



make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- (vii) The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (viii) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of obligation imposed by section 20 of the Code.
- (ix) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (x) We direct the Operational Creditor/Applicant to pay IRP a sum of **Rs.2,00,000/- (Rupees Two Lakh Only)** in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.



- (xi) The Registry is directed to communicate this order to the Operational Creditor, Corporate Debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Petition and shall forward the compliance report to the Registrar, NCLT.

9. Accordingly, this **Restoration Application No. 33 of 2025** is allowed and **CP(IB)/165/AHM/2024** is again admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sdt

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**  
Jeel/LRA

Sdt

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**