

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Restoration Application No. 6 of 2025
in
Company Appeal (AT) (Ins.) No. 463 of 2024

(Arising out of order dated 09.05.2024 passed by the National Company Law Appellate Tribunal, New Delhi in Company Appeal (AT) (Ins) No. 463 of 2024)

In the matter of:

Axis Bank Ltd.

having its Registered Office at:
"Trishul" 3rd Floor,
Opp. Samartheshwar Temple,
Near Law Garden, Ellis Bridge,
Ahmedabad- 380006

...Appellant

Versus

1. M/s. Chintamani's Jewellery Arcade Private Limited,

having its office at:
Suraj Vista, 3rd Floor,
Kashinath Bhuru Marg,
Prabhadevi, Dadar (West),
Mumbai 400028.

...Respondent No.1

2. Mr. Chintamani Kaigaonkar,

Residing at:
501, Suraj Vista,
Kashinath Bhuru Marg,
Prabhadevi, Dadar (West),
Mumbai 400028.

...Respondent No.2

Present:

For Appellant: Ms. Bandana Kaur Grover and Mr. Akash Chatterjee, Advocates.

For Respondent: Mr. Arvind Nayar, Sr. Advocate, Mr. Shivam Chanana, Mr. Akshay Joshi, Advocates for Intervener.

O R D E R
(30th June, 2026)

INDEVAR PANDEY, MEMBER (T)

The present Application is being filed by Axis Bank Ltd. (**Financial Creditor/Applicant**) under Rule 11 of the NCLAT Rules, 2016. The Applicant seeks the restoration of **Company Appeal (AT) (Insolvency) No. 463 of 2024** which was disposed of by this Appellate Tribunal's vide order dated 09th May 2024. This restoration is sought on account of a deliberate and material breach of the court-recorded Consent Terms dated 27th April 2024 by the Respondents.

2. The brief facts of the case are as given below:

- i. The applicant, Axis Bank Limited (hereinafter referred to as the '**Financial Creditor**'), extended various credit facilities to Respondent No. 1, M/s. Chintamani's Jewellery Arcade Private Limited (hereinafter referred to as the '**Corporate Debtor**'), which defaulted in its payments.
- ii. Aggrieved by the default, subsequently on April 28, 2023, the Financial Creditor filed an application on 28.04.2023 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the '**Code**'), for initiating Corporate Insolvency Resolution Process (CIRP) against the Corporate debtor by filing Company Petition [CP (IBC) No. 508/MB/2023] before the National Company Law Tribunal, Mumbai (Adjudicating Authority).
- iii. The Adjudicating Authority, admitted the Section 7 petition via order dated February 23, 2024. Mr. Prashant Jain was appointed as the Interim Resolution Professional (IRP).

- iv. Assailing the admission order dated February 23, 2024, **Chintamani Arun Kaigaonkar**, Suspended Director of the Corporate Debtor/**Respondent No. 2**, preferred an appeal before this Tribunal, registered as Company Appeal (AT) (Insolvency) No. 463 of 2024. Concurrently, the Financial Creditor lodged its formal financial claim amounting to Rs. 11,86,51,305.50/- with the newly appointed IRP.
- v. During the pendency of the appellate proceedings, the suspended management of the Corporate Debtor approached the Financial Creditor to explore an amicable resolution. Following mutual discussions, the credit facilities were restructured, culminating in the execution of formal **Consent Terms dated April 27, 2024**, which incorporated the stipulations laid down in an interim settlement letter dated April 17, 2024. Under these structured terms, the Corporate Debtor cleared an upfront payment of Rs. 1.50 Crores prior to execution, and agreed to repay the remaining Working Capital Term Loan in 13 monthly installments along with a floating interest rate pegged at the 3-month Repo Rate + 4.30% p.a. (effectively 10.80 % p.a.), while interest on both the term loan and demand Cash Credit facilities was mandated to be serviced at strict monthly intervals.
- vi. Respondent No. 2 thereafter moved an Interlocutory Application (IA No. 3348 of 2024) before this Tribunal, placing the Consent Terms on record and praying for the withdrawal of the appeal. Taking cognizance of the settlement, this Tribunal, vide its order dated May 9, 2024, set aside the Adjudicating Authority's CIRP admission order and closed the insolvency

process. Crucially, this Tribunal explicitly reserved a regulatory safeguard, granting absolute liberty to the Financial Creditor to revive the captioned appeal if any occasion or default arose. Based upon the order, the Company Petition [CP (IBC) No. 508/MB/2023] pending before the Adjudicating Authority was also formally withdrawn as disposed of on June 3, 2024

vii. However, the Respondents failed to adhere to the consent terms and after making partial payments up to July 2024 had persistently defaulted on payments. Relying upon the express liberty clause reserved in the operational order of this Tribunal dated May 9, 2024, the Financial Creditor has preferred the instant Restoration Application under Rule 11 of the NCLAT Rules, 2016, praying for the recall of the disposal order and the immediate revival of Company Appeal (AT) (Insolvency) No. 463 of 2024.

3. Ld. Counsel for the Applicant submits that the Respondent No.1/ Corporate Debtor has acted in complete derogation and willful breach of the mutual contract, namely the Consent Terms dated 27th April 2024, which were solemnly executed and placed on record before this Hon'ble Tribunal. He drew attention to the structured repayment matrix, pointing out that out of a total fallen-due commitment of Rs. 3.30 crores spanning between July 2024 and December 2024, the Corporate Debtor has miserably failed to honor its obligations, remitting a meager sum of Rs. 0.70 crores. He submits that even the instalment due on 10th July 2024, amounting to Rs. 0.55 crores, was paid in a highly irregular, piecemeal manner through eight delayed tranches, concluding as late as 14th November 2024.

4. Ld. Counsel further submits that for the subsequent consecutive four months, i.e., from September 2024 to December 2024, there was no payment, resulting in an undisputed principal overdue sum of Rs. 2.60 crores, exclusive of the un-serviced monthly interest.

5. Ld. Counsel argued that the entire conduct of the Respondents post the disposal of the appeal reveals a calculated, malafide maneuver. The settlement mechanism was deployed by the suspended management merely as a tactical shield to stall the CIRP, secure the vacation of the Adjudicating Authority's admission order, and subsequently evade the crystallized and admitted liability arising out of the financial debts.

6. Ld. Counsel further submits that having successfully brought about the disposal of the Appeal on 09th May 2024 and the withdrawal of the Section 7 Company Petition before the Hon'ble NCLT on 03rd June 2024, the Respondents completely abandoned their commitment to the court-recorded settlement, thereby attempting to leave the Financial Creditor remediless.

7. The Applicant places heavy reliance on Clause 8 of the Consent Terms, wherein the Corporate Debtor explicitly acknowledged and agreed that any event of default would automatically entitle the Financial Creditor to revive the insolvency proceedings without requiring any further notice or demand.

8. Ld. Counsel submits that the interim letter dated 17th April 2024 was accepted by the Respondents subject to strict compliance with the repayment schedules, failing which the contract stood self-terminated. This material breach compelled the Financial Creditor to formally issue a Revocation Letter on 17th December 2024, reference No. AXISB/SAG/PRK/2024-25/411.

9. Ld. Counsel emphasized that this Hon'ble Tribunal, while putting its imprimatur on the settlement via the order dated 09th May 2024, consciously armed the Financial Creditor with an absolute, explicit liberty to revive the captioned appeal if an occasion arose. It is urged that the consecutive defaults have directly triggered this conditional liberty clause, making the restoration an axiomatic consequence of the default.

10. Ld. Counsel further submits that a *prima facie* irrefutable case on merits exists in favor of the Applicant. If the settlement order dated 09th May 2024 is not recalled and the appeal is not restored alongside the original admission order dated 23rd February 2024 passed by the Hon'ble NCLT, Mumbai, it would cause irreversible financial loss, deep prejudice, and irreparable injury to the public banking institution.

Submission of Respondent No. 1/Corporate Debtor

11. Ld. Counsel for the Respondent No. 1 submits that the restoration sought by the Applicant is neither warranted in law nor justified on facts. The Applicant has failed to disclose the complete sequence of events demonstrating the bona fide efforts undertaken by Respondent No. 1 towards settlement of the outstanding dues.

12. Ld. Counsel reiterated that the record reveals that Respondent No. 1 was continuously engaged in arranging funds for liquidation of the outstanding liability. Owing to unavoidable financial constraints and circumstances beyond his control, the payments could not be made within the timelines contemplated by the Applicant. However, mere delay in payment cannot be construed as absence of intention to settle the dues.

13. Ld. Counsel further submits that It is an admitted position that in March 2025, Respondent No. 1 initiated the process of sale of his residential property situated at Blue Ridge, Hinjewadi, Pune, with the sole objective of liquidating the outstanding dues payable to the Applicant Bank. The correspondence exchanged between the parties demonstrates that vide email dated 06.03.2025, Respondent No. 1 informed the Applicant Bank that a prospective purchaser had been identified and that an amount of Rs.15,00,000/- would be paid immediately as a gesture of commitment towards settlement.

14. Ld. Counsel submits that the Applicant Bank accepted the said proposal via email dated 07.03.2025 and directed Respondent No. 1 to deposit Rs.15,00,000/-, which amount was duly remitted by Respondent No.1. Acceptance of the proposal and receipt of the payment unequivocally establish that the parties were actively pursuing an amicable settlement.

15. He further submits that it is undisputed that the Applicant Bank issued a Provisional No Objection Certificate on 18.03.2025 to facilitate the sale of the mortgaged property. The issuance of such NOC itself evidences the Bank's acknowledgment that the proposed sale transaction was a genuine mechanism for recovery of its dues.

16. Ld. Counsel submits that the material placed on record shows that the proposed purchaser, Ms. Swati Satish Takle, remained interested in purchasing the property and communicated her willingness to complete the transaction. The delay occurred solely on account of unavoidable circumstances attributable to the purchaser and not because of any default or lack of diligence on the part of Respondent No.1. He submits that the purchaser subsequently reaffirmed her

commitment to complete the transaction and additionally paid Rs.10,00,000/- to demonstrate her bona fides. Such conduct reinforces the genuineness of the proposed sale transaction and the realistic possibility of complete discharge of the outstanding dues. The Applicant Bank, however, withdrew the Provisional NOC and forfeited the amount of Rs.15,00,000/- despite being fully aware that the sale transaction was in progress and that Respondent No.1 was making earnest efforts to complete the same.

17. Ld. Counsel reiterated that this Appellate Tribunal has consistently held that where parties are pursuing a genuine settlement and there exists a reasonable prospect of satisfaction of the debt, insolvency proceedings ought not to be invoked as a substitute for debt recovery. The object of the Insolvency and Bankruptcy Code is resolution and value maximisation and not punitive recovery against a debtor who is actively attempting to discharge his obligations.

18. He submits that the conduct of Respondent No.1 throughout the relevant period reflects bona fide intention, continuous engagement with the Applicant Bank, and positive steps towards liquidation of the debt. There is no material on record to suggest any deliberate avoidance, malafide conduct, or unwillingness to settle the outstanding dues.

19. Ld. Counsel further submits that the Restoration of the appeal and revival of CIRP in the facts of the present case would defeat the very purpose of the settlement process already underway and would cause irreparable prejudice to Respondent No.1, particularly when substantial efforts have been undertaken to generate funds through sale of the mortgaged asset.

20. Ld. Counsel submits that the Applicant has failed to establish any exceptional circumstance warranting exercise of the discretionary jurisdiction of this Hon'ble Appellate Tribunal for restoration of the proceedings. On the contrary, the balance of equities lies in favour of permitting the settlement process to attain fruition. In view of the aforesaid facts and circumstances, this Hon'ble Appellate Tribunal may be pleased to hold that the restoration application is devoid of merit and does not warrant interference.

Analysis and findings

21. We have heard the Learned Counsel appearing for the Applicant/Financial Creditor and the Learned Counsel appearing for Respondent No.1/Corporate Debtor. We have also perused the pleadings, documents placed on record, the Consent Terms dated 27.04.2024 and the order passed by this Tribunal on 09.05.2024.

22. The short issue which arises for consideration is whether, in the facts of the present case, the Applicant has made out a case for restoration of Company Appeal (AT) (Ins.) No. 463 of 2024 and consequential revival of the proceedings in terms of the liberty expressly reserved by this Tribunal in its order dated 09.05.2024.

23. On 09.05.2024 this Appellate Tribunal passed the following order :-

“This appeal has been filed against the order dated 23.02.2024 by which Section 7 application filed by Axis Bank Ltd. have been admitted by National Company Law Tribunal, Mumbai Bench, Court No. V. An I.A. 3348 of 2024 has been filed by the Appellant bringing on record the consent terms dated 27.04.2024. Ld. Counsel for the Financial Creditor also appears and submits that

parties have entered into consent terms and the CIRP be not proceeded any further. Taking the consent terms on the record, we close the CIRP, set aside the order dated 23.02.2024. The Ld. Counsel for the Appellant shall make the payment of Rs.5,00,000/- to IRP towards initial cost and fee as already directed by the Adjudicating Authority. The amount shall be paid by the Appellant within two weeks from today, if not already paid. The appeal is disposed of. The Financial Creditor shall liberty to revive this appeal if any occasion arises."

(Emphasis supplied)

24. It is clear from the order that the parties entered into Consent Terms dated 27.04.2024 which was taken on record by this Appellate Tribunal vide its order dated 09.05.2024. Pursuant to which the appeal was disposed of by this Tribunal and the CIRP initiated against the Corporate Debtor was set aside. Liberty was granted to the Financial Creditor to seek revival of the appeal in the event of any default or occasion arising under the settlement. Thus, the disposal of the appeal was not unconditional, but was founded upon faithful compliance with the settlement terms by the Respondents.

25. The Applicant sent a letter dated 17.04.2024 to the Respondent which included the consent terms and the same became part of Consent Terms dated 27.04.2024 which was taken on record by this Tribunal. The same is extracted below:

7th Floor KES House C, 2/2006 International Centre Parkside, Southview, Mumbai
Maharashtra, India 400025
022-26289250/51/52 - 24 Hour Fax: 022-26289253/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/00
Website: www.ksa.com - 24 Hour Fax: 022-26289253/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/00
E-mail: ksa@ksa.com - 24 Hour Fax: 022-26289253/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/00



Annexure I
Terms and conditions

A. Facility	Cash Credit
1. Limit	Rs. 4.20 Crore
2. Purpose	To meet working capital requirements of the Borrower Company.
3. Margin	The DP will be calculated by applying the margins mentioned below: Raw Material 25% Stock-in-Process 25% Finished Goods & Pkg. Material 25%
4. Rate of Interest	Pricing: 3 months Repo Rate + 4.30% p.a. i.e. currently @ 10.80% p.a payable at monthly intervals.
5. Repayment	On Demand
6. Tenor	One year from the date of sanction.
7. Other Terms and Conditions	Shall be detailed in the final letter for Restructuring cum Renewal of credit facilities proposed to be issued after the necessary compliance.

8	Facility	Working Capital Term Loan (WCTL)																																																												
1	Limit	Rs. 8.00 crores (approx.)																																																												
2	Purpose	Restructuring of the interest dues of the Cash Credit facilities.																																																												
3	Margin	Nil																																																												
4	Rate of interest	3 months Repo Rate + 4.30% p.a. i.e. currently @ 10.80% p.a payable at monthly intervals.																																																												
5	Penal Charges	In the event of non-payment of TL instalment/interest on the due date, penal charges of 8% p.a. above applicable interest rate on the overdue amount, subject to the aggregate not exceeding Rs. 1,00,000 (Rs One lac) per instance will be charged.																																																												
6	Repayment	13 monthly instalments starting from April 2024																																																												
		Repayment Schedule (WCTL):																																																												
		<table><tr><th>Month</th><th>Amt Rs in Crore</th><th>Percentage %</th><th>Remarks</th></tr><tr><td>Apr-24</td><td>1.50</td><td>18.75</td><td>The said amount has since been received</td></tr><tr><td>May-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Jun-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Jul-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Aug-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Sep-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Oct-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Nov-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Dec-24</td><td>0.50</td><td>6.25</td><td></td></tr><tr><td>Jan-25</td><td>0.60</td><td>7.50</td><td></td></tr><tr><td>Feb-25</td><td>0.60</td><td>7.50</td><td></td></tr><tr><td>Mar-25</td><td>0.60</td><td>7.50</td><td></td></tr><tr><td>Apr-25</td><td>0.70</td><td>8.75</td><td></td></tr><tr><td>Total</td><td>8.00</td><td>100.00</td><td></td></tr></table>	Month	Amt Rs in Crore	Percentage %	Remarks	Apr-24	1.50	18.75	The said amount has since been received	May-24	0.50	6.25		Jun-24	0.50	6.25		Jul-24	0.50	6.25		Aug-24	0.50	6.25		Sep-24	0.50	6.25		Oct-24	0.50	6.25		Nov-24	0.50	6.25		Dec-24	0.50	6.25		Jan-25	0.60	7.50		Feb-25	0.60	7.50		Mar-25	0.60	7.50		Apr-25	0.70	8.75		Total	8.00	100.00	
Month	Amt Rs in Crore	Percentage %	Remarks																																																											
Apr-24	1.50	18.75	The said amount has since been received																																																											
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Total	8.00	100.00																																																												

Signature 2



3	Facility	Working Capital Term Loan (WCTL)
		The repayment schedule is drawn with the assumption that the restructuring shall be implemented on 30th April 2024, in the case of delay in implementation of restructuring, the instalment dates shall be re-aligned in line with the restructuring scheme.
		<u>The exact due dates for repayment of the principal/interest shall be in accordance with the letter issued by the Bank to the Borrower immediately upon implementation of restructuring.</u>
7	Tenor	Upto April 2025
8	Consent terms and undertaking before Hon'ble DRT	a. Consent terms has to be executed and filed with Hon'ble Debts Recovery Tribunal Mumbai ("DRT") in Original Application No. 91 of 2023 filed by Axis Bank Ltd, by all the parties within one month from the date of this approved letter in the Bank's format. b. The Borrower shall be duly bound to fully co-operate and sign all necessary application, affidavits, petitions etc. and make necessary statements for the purpose of withdrawal of Company Appeal No. 463 of 2024 filed before Hon'ble National Company Law Appellate Tribunal New Delhi ("NCLAT") in terms of present letter, the Bank will file an Application seeking withdrawal of the said Company Petition No. 506(18)-MB-V/2023 admitted by the Hon'ble National Company Law Tribunal, Mumbai Bench - ("NCLT"). The Borrower will make submission before the DRT, NCLAT and NCLT acknowledging the acceptance of the present letter and Consent Terms. The Financial Creditor shall be entitled to revive the said Company Petition No. 506(18)-MB-V/2023 in the event of any default of the terms of the present letter on the part of the Borrower." c. The Borrower Company and the Adjudicators/Guarantors undertake and will withdraw all application, case, petition, etc. filed before Hon'ble Court, Tribunal, authority etc. against the Bank with respect to aforesaid credit facilities within fifteen days from the date of this approved letter.
9	Additional Terms and Conditions	The detailed terms shall be included in the final letter for Restructuring cum Renewal of credit facilities proposed to be issued after the necessary compliance.

XXXXXX



26. We have observed from the above Consent Terms dated 27.04.2024, 8(b) is extracted below for our convenience.

“8. Consent Terms and Undertaking before honorable DRT

8b. The Borrower shall be duly bound to fully co-operate and sign all necessary application affidavits. petitions etc. and make necessary statements for the purpose of withdrawal of Company Appeal No. 463 of 2024 filed before Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") in terms of present letter, The Bank will file an Application seeking withdrawal of the said Company Petition No. 508(IB)/MB-V/2023 admitted by the Hon'ble National Company Law Tribunal Mumbai Bench ("NCLT"). The Borrower will make a submission before the DRT, NCLT and NCLT acknowledging the acceptance of the present letter and Consent Terms. The Financial Creditor shall be entitled to revive the said Company Petition No. 508/IB (MB) 2023 in the event of any default of the present letter on the part of the Borrower.”

It is clear from the above consent terms in the letter dated 17.04.2024 which was part of consent terms placed on record before this Tribunal, that if any default was made regarding the above consent terms by the Respondent No.1/CD, the applicant/financial creditor would be at liberty to revive the Company Petition No. 508/IB (MB) 2023 before NCLT, Mumbai. The repayment schedule forming part of the Consent Terms required strict adherence to the timelines agreed between the parties. The Applicant has placed on record details of the payments due and payments actually received.

27. Due to repeated failure on the part of the Respondent No.1, the Financial Creditor sent a letter dated 17.12.2024 to the Corporate Debtor/Respondent No.1 revoking the restructuring letter. The same is extracted below:-

ANNEXURE-G

By Speed Post AD and Email
WITHOUT PREJUDICE

AXIS/SAG/PRK/2024-25/411
17th December, 2024

Chintamani's Jewellery Arcade Private Limited ("Chintamani")
Suraj Vista, 3rd Floor, Kashinath Bhuru Marg,
Prabhadevi, Dadar (West), Mumbai-400 028.
Email: ckaigaonkar@rediffmail.com;
ck@chintamani.in; as_chintamani@yahoo.co.in;

Kind Attention: Mr. Chintamani Kaigaonkar

- Ref: i) Your request for restructuring and the various letters, correspondences, emails exchanged with you.
ii) Our interim letter dated 17th April, 2024 bearing reference No. AXIS/SAG/PRK/2024-25/17 for restructuring cum renewal of your credit facilities and our letter dated 14th June 2024 bearing reference No. AXIS/SAG/PRK/2024-25/109 ("Restructuring letter")
iii) Our various reminder emails, calls and correspondences, requesting you to comply with the terms and conditions of Restructuring letter and making payment.

Sub: Revocation of the Restructuring letter.

Dear Sir/Madam,

As per the captioned Restructuring letter, as per your request, Bank had approved restructuring of your credit facilities of Rs.17.50 crores at Rs. 10.55 crores as mentioned herein below, on the terms and conditions and repayment schedule as enumerated in the said letters issued by the Bank.

(Rs. in crore)

Nature of Credit facility	Main Limit/Sublimit	Existing Limits	Revised Limits
Working Capital			
Cash Credit (CC)	Main Limit	17.50	4.20
Total (FBWC)	--	17.50	4.20
WCTL	Main Limit	0.00	6.35
Total Term Loans	--	0.00	6.35
Grand Total	--	17.50	10.55

As per the approved restructuring by the Bank, you were to make the payments as per timelines mentioned in the Repayment schedule (Repayment Annexure) in our captioned letter dated 14th June 2024. Given below is the status of the payments made by you under the facility approved by the Bank under your restructured facilities:

Instalment Due Date	Instalment Amt (Rs in Crore)	Paid amount (Rs. in crore)	Overdue Amount (Rs. in crore)	STATUS
10-Jul-24	0.55	0.55	--	Paid with delay in multiple tranches, last remittance on 14.11.2024
10-Aug-24	0.55	0.15	0.40	Rs 0.15 crore paid with delay on 14.11.2024. Balance is overdue
10-Sep-24	0.55	0.00	0.55	Overdue
10-Oct-24	0.55	0.00	0.55	Overdue
10-Nov-24	0.55	0.00	0.55	Overdue
10-Dec-24	0.55	0.00	0.55	Overdue
Total	3.30 @	0.70	2.60 @	

@The amount excludes interest payable by the Company
7th Floor AXIS House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai Maharashtra, India 400025
REGISTERED OFFICE: "Tirohul" - 3rd Floor Opp. Suraj Uthwal Temple, Near Law Garden, Elstbridge, Ahmedabad - 380006 Telephone No: 079 26409322 Fax No.: 079 26409321 CIN: L65110GJ1993PLC020769 Website: www.axisbank.com/Maharashtra India 411004



As can be seen from above table, you have made payment of only Rs. 0.70 crore with huge delays and Rs. 2.05 crores and the interest payable continues to be overdue.

It is disappointing to note that in spite of various reminder emails, calls and correspondences from our Bank reminding you to comply with the terms and conditions of the captioned Restructuring letter, you have failed to adhere to the same.

You were aware that as per the terms and conditions, time is the essence of the captioned Restructuring facility approved by the Bank and non-compliance with any terms and conditions of the same, would lead to revocation of the said facility by the Bank.

As stated above, since you have defaulted in making payment of the instalments as per approved terms by the Bank, we regret to state that we hereby revoke the captioned Restructuring through this revocation letter.

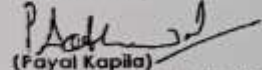
We would like to state here that the amount of Rs.0.70 crore paid by you as stated above, is adjusted against outstanding dues in your account.

Accordingly, in view of the above, we hereby revoke/ cancel our captioned Restructuring and you are required to pay the full contractual dues along with interest and charges as stated above.

We hope the above clarifies our position. We are constrained to proceed/continue further or reactivate our legal actions for recovery of your outstanding dues and enforcement of security. We will continue/reactivating our legal action under The Recovery of Debts and Bankruptcy Act, 1993 ("RDB Act") i.e. Original Application No.91 of 2023 filed and pending before the Hon'ble Debts Recovery Tribunal-Mumbai, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"), Insolvency and Bankruptcy Code, 2016 ("IBC") i.e. CP(IB)/508(MB)/2023 revival or filing of fresh Sec. 7 application under IBC or initiate any other legal action, which our Bank may think fit to initiate against you.

We hope the above clarifies our stand in the matter. In case of any clarification/assistance please feel free to contact the undersigned or Mr. Jay Sharan.

Yours faithfully



(Payal Kapila)

Vice President & Authorised Signatory
Structured Assets Group
Axis Bank Limited

7th Floor, Axis House, P.B. Marg, Worli, Mumbai-400025.

Mobile No.: 9820958262/ Email id: payal.kapila@axisbank.com



7th Floor AXIS House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai
Maharashtra - India 400025
REGISTERED OFFICE : "Trishul" - 3rd Floor Opp. Samartheswar Temple, Near Law Garden,
Ellisbridge, Ahmedabad - 380006 Telephone No. 079-26409322 Fax No. - 079-26409321
CIN: L65110GJ1993PLC020769 Website : www.axisbank.com/Maharashtra India 411004



28. The letter clearly shows that between July 2024 and December 2024, an amount of Rs.3.30 crores was to be paid by the Respondent No.1 against which only an amount of Rs.0.70 Crores was paid. The record further reveals that even the payments which were made were substantially delayed and were not in conformity with the schedule contemplated under the settlement. In view of the continuing default the bank revoked the restructuring of credit facility which was allowed through the restructuring letter. The Financial Creditor also stated its intention to take appropriate legal action under the Recovery of Debts and Bankruptcy Act, 1993 (RDB Act); SARFAESI Act, 2002; and under IBC, 2016 in CP (IB)/508(MB)/2023 revival or any other legal action.

29. Significantly, the Respondents have not disputed the occurrence of defaults under the Consent Terms. Their defence is primarily founded upon subsequent events, namely, the proposed sale of a residential property in Pune, negotiations with a prospective purchaser and the efforts allegedly undertaken for arranging funds to clear the outstanding dues.

30. While we do not doubt that Respondent No. 1 may have made attempts to arrange finances, the question before this Tribunal is not whether efforts were made, but whether the obligations undertaken under the Consent Terms were complied with. A settlement recorded before a judicial forum cannot be permitted to remain contingent upon future possibilities, proposed transactions or anticipated receipts. Once the settlement formed the very basis for setting aside the CIRP admission order, strict compliance with the terms thereof became obligatory.

31. The reliance placed by Respondent No.1 upon the correspondence exchanged in March 2025 also does not advance its case. The admitted defaults had already occurred much prior thereto. The issuance of a provisional NOC by the Applicant Bank or its participation in discussions relating to sale of the mortgaged property cannot be construed as a waiver of the earlier defaults or as a relinquishment of the rights expressly reserved under the order dated 09.05.2024. At best, such correspondence demonstrates that the Applicant was willing to explore an amicable resolution despite the defaults committed by the Respondents.

32. The contention that the delay occurred on account of the proposed purchaser and was beyond the control of Respondent No.1 is equally unpersuasive. The obligations under the Consent Terms were personal obligations undertaken by the Respondents before this Tribunal. The failure of a third-party purchaser to complete a proposed transaction cannot dilute or extinguish those obligations.

33. We are also unable to accept the submission that restoration of the appeal would convert the insolvency process into a recovery mechanism. The present proceedings arise not from a fresh invocation of insolvency jurisdiction but from a breach of court-recorded settlement terms pursuant to which the original CIRP admission order had been set aside. The liberty granted by this Tribunal to revive the proceedings in the event of default was consciously incorporated to safeguard the interests of the Financial Creditor and to ensure compliance with the settlement.

34. The record, therefore, clearly establishes that the Respondents failed to adhere to the repayment schedule forming part of the Consent Terms. The breach is neither technical nor insignificant but substantial and continuing. The very foundation on which the appeal came to be disposed of having failed, the Applicant is entitled to invoke the liberty expressly reserved by this Tribunal.

35. In view of the foregoing discussion, we are satisfied that sufficient grounds exist for exercise of our inherent powers under Rule 11 of the NCLAT Rules, 2016. The Applicant has established a material and undisputed breach of the Consent Terms dated 27.04.2024. Consequently, the order dated 09.05.2024 disposing of Company Appeal (AT) (Ins.) No. 463 of 2024 deserves to be recalled and the appeal restored to its original position.

36. In view of the above, the order dated 09.05.2024 passed in CA (AT) (Ins.) No.463 of 2024 is recalled. Company Appeal (AT) (Ins.) No.463 of 2024 stands restored to its original number. Consequently, CIRP proceedings against the corporate debtor in CP (IB) No.508/MB/2023, which were earlier disposed of in accordance with consent terms and this Tribunal order dated 09.05.2024 by the Adjudicating Authority (NCLT Mumbai Bench,Court-V) would also stand revived. The Restoration Application is allowed in above terms. No order as to costs.

Justice N. Seshasayee]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

Place: New Delhi
Harleen