NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 900 of 2026

[Arising out of Order dated 30.04.2026 passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi Bench, Court – II), in C.P. (IB) No.468/PB/2024]

IN THE MATTER OF:

Sanjeev Kumar Jain
(Suspended Director of
Parsvnath Developers Limited) ...Appellant

Versus

Asset Reconstruction Company (India) Ltd & Anr. ...Respondents

Present:

For Appellant : Mr. Krishnendu Datta, Sr. Advocate with Mr. Abhishek Anand, Mr. Rajat Juneja, Mr. Manoranjan Sharma, Mr. Arpit Dwivedi, Mr. Karan Rajpurohit, Ms. Sakshi Kapoor, Mr. Yash Tandon and Mr. Arjun Gaind, Advocates.

For Respondents : Mr. Abhijeet Sinha, Sr. Advocate with Ms. Meghna Mishra, Mr. Siddharth Joshi, Ms. Ujjnala Gupta and Mr. Shubham Madaan, Advocates for R-1.

Mr. Sandeep Bajaj, Mr. Vikas Maini, Mr. Ankit and Mr. Mayank Biyani, Advocates for RP.

Mr. Gaurav Mitra, Ms. Aakashi Lodha and Mr. Namanjeet Bhatia, Advocates for Intervener.

WITH

Company Appeal (AT) (Insolvency) No. 977 of 2026

[Arising out of Order dated 24.04.2026 passed by the Adjudicating Authority (National Company Law Tribunal, New Delhi Bench, Court – II), in C.P. (IB) No.465/ND/2024]

IN THE MATTER OF:

Surya Mani Pandey
Suspended Director of
Noida Marketing Pvt. Ltd. ...Appellant

Versus

Asset Reconstruction Company (India) Ltd. & Anr. ...Respondents

Present:

For Appellant	**:**	**Mr. Abhishek Anand, Mr. Rajat Juneja, Mr. Manoranjan Sharma, Mr. Arpit Dwivedi, Mr. Karan Rajpurohit and Ms. Tina Aneja, Advocates.**
For Respondents	**:**	**Mr. Abhijeet Sinha, Sr. Advocate with Ms. Meghna Mishra, Mr. Siddharth Joshi, Ms. Ujjnala Gupta and Mr. Shubham Madaan, Advocates for R-1.** **Mr. Sandeep Bajaj, Mr. Vikas Maini, Mr. Ankit and Mr. Mayank Biyani, Advocates for RP.** **Mr. Gaurav Mitra, Ms. Aakashi Lodha and Mr. Namanjeet Bhatia, Advocates for Intervener.**

O R D E R

ASHOK BHUSHAN, J.

These two appeals have been filed by the suspended director of the corporate debtors; Parsvnath Developers Limited and Noida Marketing Private Limited, respectively. The Parsvnath Developers Limited is the principal borrower with respect to which Noida Marketing Private Limited has given corporate guarantee. By order dated 24.04.2026, Corporate Insolvency Resolution Process (**"CIRP"**) against the corporate debtor, Noida Marketing Pvt. Ltd. has commenced, against which the Comp. App. (AT) (Ins.) No.977/2026 has been filed. By order dated 30.04.2026, CIRP against the corporate debtor, Parsvnath Developers Limited has been admitted by appointing the Interim Resolution Professional (**"IRP"**) and declaring the moratorium. Challenging the order dated 30.04.2026, in C.P. (IB) No.468/PB/2024, Comp. App. (AT) (Ins.) No.900/2026 has been filed.

2. Brief background facts, giving rise to these two appeals need to be noticed:

i. Sammaan Capital Limited, the original lender sanctioned various loan facilities to Parsvnath Developers Limited. First loan facility of ₹72 crore was sanctioned on 26.03.2018 and thereafter six other loan facilities were extended to the Parsvnath Developers Limited.

ii. Sammaan Capital Limited filed a C.P. (IB) 275/ND/2022 against Parsvnath Developers Limited, which was withdrawn on 11.04.2022. A fresh Section 7 petition C.P. (IB) No. 690/2023 was filed on 10.10.2023.

iii. Sammaan Capital Limited has also initiated proceedings under Section 9 of Arbitration & Conciliation Act 1996 before the Delhi High Court. The Section 7 petition was disposed by the NCLT in view of pendency of settlement talks. Sammaan Capital Limited also withdrew proceeding under Section 9.

iv. On 13.07.2024, Sammaan Capital Ltd. filed a fresh Section 7 application C.P. (IB) 468/2024, claiming total amount of default under the Loan Agreement of ₹942,26,92,456/-. Date of default was mentioned as 05.03.2024.

v. Corporate debtor filed a petition under Section 9 of the Arbitration & Conciliation Act 1996 on 16.07.2024 before the Delhi High Court seeking reconciliation.

vi. On 30.09.2024, Sammaan Capital Limited has assigned the debt to Asset Reconstruction Company India Limited ("ARCIL").

vii. On 30.12.2024 an email has been sent on behalf of the Parsavnath Developers Limited to the Sammaan Capital Limited, proposing a payment schedule for principal amount of ₹310 crore and ₹35.54 crore as interest.

viii. Financial creditor on 17.02.2025, after receiving two demand drafts of ₹75,00,00,000 withdrew Section 7 application. ARCIL and Parsvnath Developers Limited exchange Formal Restructuring Agreement. Parsvnath Developers Limited has also withdrawn his Section 9 petition before the Delhi High Court on 30.04.2025.

ix. On 16.07.2025, by an email, ARCIL informed the Parsvnath Developers Limited that it will not proceed with the repayment schedule. Financial creditor filed a revival application before the NCLT to revive Section 7 proceedings. Section 9 petition was filed before the Delhi High Court by the Parsvnath Developers Limited to stay the email dated 16.07.2025 of the Parsvnath Developers Limited.

x. On 20.08.2025, NCLT allowed the revival application of financial creditors and revived Section 7 proceeding.

xi. On 10.11.2025, NCLT after hearing the parties, reserved the orders on Section 7 application on 10.11.2025.

xii. On 19.02.2026, Section 9 Arbitration Proceeding filed by Parsvnath Developers Limited was dismissed by the Delhi High Court. Parsvnath Developers Limited filed an application under Section 37, challenging the order dated 19.02.2026, on which interim stay was granted on

coercive action, subject to Parsvnath Developers Limited deposit ₹75 crore in High Court Registry.

xiii. On 10.03.2026 Parsvnath Developers Limited deposited only ₹25 crore to Delhi High Court.

xiv. On 16.03.2026, corporate debtor submitted a repayment plan before the Delhi High Court proposing payment of balance of ₹600 crore subject to permission of sale of charge assets.

xv. In April 2026, Settlement Repayment Schedule of ₹750 crore was exchanged between the parties. On 06.04.2026, NCLT listed Section 7 application for pronouncement of the order on request of the Parsvnath Developers Limited that Parsvnath Developers Limited is proceeding to settle the matter with financial creditor, the pronouncement was deferred.

xvi. On 08.04.2026 Parsvnath Developers Limited, shared final schedule of payment with ARCIL. On 08.04.2026 pronouncement was again deferred to 16.04.2026.

xvii. On 16.04.2026 again request was made to the NCLT to defer the judgement. On 16.04.2026, NCLT deferred the pronouncement of judgement as a last opportunity to parties to bring final settlement, if any. No settlement was entered between the parties and on 30.04.2026 adjudicating authority pronounced the order admitting Section 7 application appointing the IRP and initiating CIRP process. Challenging the order dated 30.04.2026, Comp. App. (AT) (Ins.) No.900/2026 has been filed.

i. Noida Marketing Private Limited stood as a corporate guarantor to the loan facilities extended by Sammaan Capital Ltd. to the Parsvnath Developers Limited.

ii. In appeal filed by the suspended director of the Noida Marketing Private Limited, the fact as noted in Comp. App. (AT) (Ins.) No. 900/2026 has been reiterated.

iii. On 24.05.2024, original lender has issued demand notices against loan amount of the borrower as well as Noida Marketing Private Limited, the corporate guarantor.

iv. C.P. (IB) No.465/2024 was filed by Sammaan Capital Limited under Section 7 against the Noida Marketing Pvt. Ltd., the corporate guarantor. In appeal filed by the suspended director of Noida Marketing Private Limited, facts and details pertaining to the proceeding before the Delhi High Court and NCLT has been reiterating, including the correspondence and stage between the principal borrower and the financial creditor.

v. Section 7 petition filed against the Noida Marketing Private Limited was withdrawn on 17.04.2025, which was subsequently revived by the NCLT.

vi. On 06.04.2026, Section 7 application was revived and listed for hearing on 24.04.2026.

vii. On 24.04.2026, the C.P. (IB) No.465/2024 has been admitted against the Noida Marketing Private Limited, appointing IRP.

viii. Challenging the order dated 24.04.2026, admitting C.P. (IB) No.465/ND/2024, Comp. App. (AT) (Ins.) No.977/2026 has been filed by the suspended director of the corporate debtor, Noida Marketing Private Limited.

3. We have heard learned Sr. counsel, Mr. Arun Kathpalia & Mr. Krishnendu Dutta appearing for the appellants. Learned Sr. counsel, Mr. Abhijeet Sinha has appeared for ARCIL. Learned counsel Mr Sanjeev Bajaj has appeared for Resolution Professional (**"RP"**). Learned counsel Mr. Gaurav Mitra has appeared for interveners.

4. Learned counsel for the appellant in support of the appeals submits that in the present case, the corporate debtor has entered into settlement with the financial creditor and was always ready and willing to make the payment as per schedule discussed and agreed by both the parties reflected in the email dated 30.12.2024 sent by the corporate debtor to the financial creditor. No default towards payment has been made by the corporate debtor as per settlement agreed. The payment plan as agreed between the parties was noted by the adjudicating authority in its order, dated 17.02.2025, by which Section 7 application was allowed to be withdrawn by the financial creditor. The corporate debtor did not default in payment as per payment schedule agreed on 30.12.2024, but financial creditor unilaterally backed out by issuing an email dated 16.07.2025. The present is not a case where any default is committed by the corporate debtor in fulfilling its obligation. It is submitted

that during pendency of the proceedings under Section 9 of the Arbitration & Conciliation Act 1996, before the Delhi High Court corporate debtor has undertaken to pay ₹75 crore. ₹25 crore was deposited before the Registry of the Delhi High Court and subsequently an amount of ₹75 crore was paid when proceedings were withdrawn on 17.02.2025. The corporate debtor has paid an amount of ₹25 crore between 06.04.2026 and 15.04.2026, under *bona fide* belief and impression that there is principal agreement to the revised schedule of payment proposed between the parties. It is submitted that corporate debtor having paid amount of ₹200 crore the financial creditor has backed out from executing Formal Agreement. The present is not a case for initiating any insolvency process against the corporate debtor, corporate debtor having already paid an amount of ₹200 crore and had always been willing to make the payment as per revised schedule proposed by the corporate debtor and it is the financial creditor who is using the Section 7 proceeding as recovery mechanism. There is no categorical finding regarding debt and default. On 30.04.2026, when adjudicating authority passed an order for admission, WhatsApp message between the parties were being exchanged with respect to repayment schedule of ₹750 crore. Even after admission of Section 7 application, appellant continued with the settlement talks. It is submitted that the corporate debtor is a Real Estate Company, which is carrying out various projects and initiation of CIRP can cause prejudice to the corporate debtor.

5. Learned counsel for the respondent refuting the submissions of the counsel for the appellants submits that although case of the appellant is that there was settlement entered between the parties on 30.12.2024 as recorded

in order dated 17.02.2025, but in Section 9 petition 330/2025 filed by the corporate debtor before the High Court of Delhi, corporate debtor has admitted that composite restructuring negotiated and agreed between the parties could not be executed. Corporate debtor also acknowledged outstanding instalment due and payable from April 2025 till June 2025, amounting to ₹16.68 crore. Corporate debtor undertook to deposit ₹75 crore in the Registry of Delhi High Court. Adjudicating authority has found the debt and default prove. Adjudicating authority after considering all material facts returned the finding that there is a debt and default in repayment of amount, revival of Section 7 proceeding by order dated 20.08.2025 has never been challenged by the appellant by filing an appeal. A pre-injunction proceeding was filed before the Delhi High Court for staying proceeding before the NCLT to revive the Section 7 application, in which proceeding no interim relief was granted by the High Court. Even after order dated 20.08.2025, reviving the Section 7 application, the order dated 20.08.2025 was challenged by the corporate debtor before the Delhi High Court, which also came to be dismissed by judgement dated 23.09.2025. Submission of the counsel for the appellant that there was no basis for revival of Section 7 application are without any merit. Revival of Section 7 has become final and cannot be allowed to question. It is submitted that Delhi High Court orders passed in proceeding initiated by corporate debtor itself under Section 9 of the Arbitration & Conciliation Act 1996, noted that corporate debtor is endeavouring to settle the dispute with the financial creditor, which is clear proof of default. Before the adjudicating authority also time and again, corporate debtor submitted that it is entering into settlement with the

financial creditor. Adjudicating Authority on several occasions has postponed the pronouncement of the judgement at the request of the corporate debtor, that corporate debtor is to enter into settlement with the financial creditor. Adjudicating authority noticed that no settlement has been entered between the parties and has rightly proceeded to admit Section 7 application. Sanction and disbursement of the loan is not even disputed. The submission of the appellant that the loan granted by the financial creditor required restructuring is not a ground on which admission of Section 7 can be denied. Adjudicating authority in proceeding under Section 7 has to look into debt and default. Debt and default having been proved, there is no error.

6. Learned counsel for the RP also submitted that in pursuance of the publication made by the IRP, claims worth ₹800 crores has been received from the homebuyers.

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

8. The present is the case where Section 7 application C.P. (IB)468/PB/2024 was permitted to be withdrawn by the order of the adjudicating authority dated 17.02.2025. The order dated 17.02.2025 which has been quoted by adjudicating authority in paragraph 8 of the impugned order is as follows:

> *"8. During the pendency of the present petition viz. IB-465/(PB)/2024, the FC and CD entered into settlement and Ms. Pooja Sehgal, Ld. Sr. Counsel for CD handed over demand drafts for an amount of Rs. 75 Crore to the Ld. Counsel for the FC. In the wake, the FC could withdraw the petition with liberty to seek revival of the*

same. The order dated 17.02.2025 passed by this Tribunal reads thus:-

ORDER

The total amount of default alleged in the petition is Rs. 942,26,92,456/-. relevant excerpt in Part-IV of the applications reads thus:

2.	*AMOUNT CLAIMED TO BE IN DEFAULT AND DATE OF WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR THE COMPUTATION OF AMOUNT AND DAYS 40 DEFAULT IN TABULAR FORM)*	*A. The Corporate Debtor has repaid a sum of Rs. 426,49,77,339/- (Rupees Four Hundred and Twenty-Six Crores, Forty-Nine Lacs, seventy-Seven Thousands, Three Hundred and Thirty-Nine) from 26.03.2018 to 12.07.2024 under the Loan Agreement.* *B. In view thereof, the total amount in default due to the Applicant by the Corporate Debtor under the Loan Agreements is Rs. 942,26,92,456/- (Rupee Nine Forty-Two Crores, Twenty-Six Lacs, Ninety-Two Thousand Four Hundred and Fifty-Six) along with other Charges which include:* *i. Principal amount Rs. 452,34,19,608/ (Rupees Four Hundred and Fifty-Two Crores, Thirty-Four Lacs, Nineteen Thousand, Six Hundred and Eight)* *ii. Interest Due: 26,59,51,243/- (Rupees Twenty-Six Crore, Fifty-Nine Lacs, Fifty-One Thousand, Two Hundred and Forty-Three).* *iii. Other Charges: 438,32,90,363/- (Rupees Four Hundred and Thirty-*

		Eight Crore, Thirty-Two Lacs, Ninety Thousand, Three Hundred and Sixty-Three). *iv. TDS: 25,00,31,782 (Rupees Twenty-Five Crore, Thirty-One Thousand, Seven Hundred and Eighty-Two)* *C. Date of Default: On 05.05.2024, Corporate Debtor defaulted in payment/repayment of principal and/or interest due under the Loan Agreement* *D. Under clause 3.1.1 of the Loan Agreements, the Corporate Debtor agreed to repay/pay the entire loan and interest thereon to the Financial Creditor in such manner as agreed/specified by the Financial Creditor from time to time and/or as per the Payment/Repayment Schedule.* *E. Accordingly, owing to the Corporate Debtor's default in payments under the loan facilities, on 08.07.2024, Financial Creditor issued notices recalling the entire loan facilities and called upon the Corporate Debtor to repay the total outstanding loan amount including interest, future interest, TDS and charges payable under the loan facilities within three (3) days.* *F. In view of the fact that no response or payment was made by Corporate Debtor against the outstanding*

		dues, therefore, the Financial Creditor is filing the instant Petition.

Today Ms. Pooja Saigal Id. Sr. Counsel appearing for Corporate Debtor viz. Parasvnath Developers Ltd. handed over demand drafts for the amount of Rs. 40,00,00,000/-(Demand Draft No.-200863) and Rs.35,00,00,000/- (Demand Draft No. 200862) to Mr. Sumesh Dhawan Ld. Counsel present for the Creditors and assured that the remaining amount on which the Creditor and Corporate Debtor have agreed to settle the defaulted amount would be paid as per the schedule agreed between the Creditor and the Corporate Debtor religiously without failing. The Counsels for the parties are ad idem that if the amount of debt is not repaid as per the schedule, the Petitioner who is seeking to withdraw the captioned petition today would be entitled to seek revival of the same. In view of the aforementioned, the petition is allowed to be withdrawn and is accordingly disposed of. Let a copy of this order be sent to Registrar General for maintaining data/record.

IA-4684/2024: *In view of the order passed in IB-468/2024 the IA has become infructuous."*

9. Financial creditor filed an application to revive Section 7 application claiming default, which revival application was allowed by order dated 20.08.2025. It is relevant to note that prior to passing of the order dated 20.08.2025, NCLT reviving Section 7 application, the corporate debtor has filed proceeding under Section 9 of the Arbitration & Conciliation Act, 1996 before the Delhi High Court. The corporate debtor offered to make deposit of ₹75 crore which is noted in the order dated 26.09.2025 passed by the Delhi High Court. It is an admitted fact that out of ₹75 crore as promised, corporate debtor deposited only ₹25 crore to the registry and subsequently, it was before the adjudicating authority, it was pleaded that the amount of ₹50 crore has been paid.

10. The adjudicating authority in the impugned order has noticed that twice the adjudicating authority has listed the Section 7 application for pronouncement, but on the request made by the counsel for the corporate debtor, pronouncement was deferred. It is useful to notice the order passed by the NCLT, by which pronouncement of judgement was deferred. Adjudicating authority has noted the order passed on 08.04.2026 deferring the pronouncement in paragraph 19 of the judgement which is as follows:

> ***"19.*** *On account of pendency of the proceedings before Hon'ble High Court as above, we could show sufficient indulgence and kept the proceedings pending for sufficiently long period. Even on 08.04.2026, when we were to pronounce the order, having come across the plea raised on behalf of the parties with reference to order dated 08.04.2026 (ibid), we deferred the pronouncement. The order dated 08.04.2026 reads thus:-*
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> > *"On 06.04.2026 we passed by the following order:-*
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> > > *"(IB)-468(PB)2024 was listed for the pronouncement of the order therein. Nevertheless, Mr. Manoranjan Sharma, Ld. Counsel for the Corporate Debtor submitted that the Division Bench of the Hon'ble High Court has passed an order that another amount of Rs. 25 Crores could be deposited by the Debtor with the registry of Hon'ble Delhi High Court would be released to the Creditor. According to him, another amount of Rs. 10 Crores would be paid to the Creditor during the course of the day. He submitted that, the debtor is keenly pursuing the matter to arrive at a settlement with the Financial Creditor regarding the amount of debt defaulted to be paid. At this stage, the Ld. Counsel for the Creditor submitted that he has no instruction from his client regarding the arguments advanced on behalf of the Corporate Debtor. Nevertheless, since the Corporate Debtor is striving to enter into settlement with the Financial Creditor*

regarding the amount of debt, we defer the pronouncement of order till 08.04.2026."

2. *Today again Mr. Abh Today again Mr. Abhishek Anand, Ld. Counsel for Corporate Debtor present with Mr. Sanjeev Jain, Managing Director handed over a proposal to Ld. Counsel for the Financial Creditor and submitted that the management of the Corporate Debtor is in talk with the management of the Financial Creditor and there is a possibility that the parties will enter into some settlement. The Ld. Counsel for the Petitioner submitted that she has no instruction from her client, nevertheless, she will send the proposal to the Petitioner for its consideration.*

3. *Mr. Abhishek Anand also submitted that as could be noted in our order dated 06.04.2026 an amount of Rs. 25.00 Cr. deposited with the registry of Hon'ble Delhi High Court has been ordered to be released to the Financial Creditor. In his submission, besides the amount of Rs. 25.00 Cr. another amount of Rs. 21,49,20,750/- has also been paid to the Financial Creditor.*

4. *The Ld. Counsel for the Petitioner submitted that she is aware of the order of the High Court but has no information regarding the remaining amount of Rs. 21,49,20,750/-.*

5. *In view of the stand taken by the Counsels for the parties, we defer the pronouncement of the order which is ready for pronouncement since 06.04.2026 till 16.04.2026. It is made clear that parties should take their call regarding the settlement by that day and on next date we will not defer the pronouncement any further at any cost except in case of the settlement arrived at and Creditor concede before this Tribunal that settlement has been arrived at and steps are taken regarding the disposal of the matter. List on 16.04.2026."*

11. The further pronouncement was deferred on 16.04.2026 which order has been noticed in paragraph 21 of the impugned order, which is as follows:

"21. *On 16.04.2026, again the counsels for the parties made reference to the proceedings pending before the Hon'ble High Court and sought adjournment. As it may have a due deference to the proceedings pending*

before Hon'ble High Court, we again deferred the pronouncement to 30.04.2026. The order dated 16.04.2026 reads thus:

> *"When the matter is listed for pronouncement, Mr. Abhishek Anand Ld. Counsel for the Applicant submitted that they are negotiating with the Creditor for settlement in respect of the amount defaulted to be paid. According to him the proposal given by the Debtor could not be taken up by the Creditor with its board for consideration. Ld. Counsel for the Petitioner submitted that the board qua the petitioner will take two weeks' time to meet and take a final view regarding the proposal for settlement. It is really a matter of concern that when the matter is listed for pronouncement thrice, the parties are taking no steps in between and only when the matter is listed for pronouncement of the order, only before the Court they talk of settlement. We are appalled and dismayed with such approach. However, since the objective of IBC is to resolve the insolvency of the Corporate Debtor and see that the value of Corporate Debtor is maximized, once both the Creditors and Debtors are of the view that the matter can be settled we defer the pronouncement by two weeks, subject to payment of cost of Rs. 5,00,000/- to be deposited in Prime Minister's National Relief Fund by the Corporate Debtor.*
>
> *List on 30.04.2026 at 10:30 am.*
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> *It is directed that the matter should be listed on the top of the board only in the category of pronouncement order."*

12. Adjudicating authority while deferring the pronouncement have noted the submission of the corporate debtor stating that the settlement is taking place between the parties and management of the corporate debtor is in talk with the management of the financial creditor and there is a possibility that parties may enter into some settlement.

13. The orders by deferring the pronouncement clearly thus record the statement that there is possibility that parties will enter into some settlement.

It was further stated by the corporate debtor that amount of ₹25 crore deposited in the Registry of High Court has been ordered to release to the financial creditor and that further amount of ₹21,49,20,750/- has been paid to the financial creditor. The above statements recorded by the NCLT while deferring the pronouncement clearly indicates that default by the corporate debtor is not even contested rather corporate debtor was praying for deferring the pronouncement in the hope of settlement to be entered with the financial creditor. Adjudicating authority has further in paragraph of 28 of the impugned order has noticed paragraph 5.8 of the reply of the corporate debtor, where corporate debtor admitted that group of companies was still require to pay an amount of ₹489.32 crore. The corporate debtor has claimed its certain counter claim in paragraph 5.8 of the reply. The NCLT has correctly relied on the judgement of the Hon'ble Supreme Court in ***'B. Prashanth Hegde' Vs. 'State Bank of India & Anr.',*** in **[Civil Appeal No.477/2022]** decided on 12.02.2026, where it was held that question of set of and counter claim are to be considered at the stage of filing of proof. In paragraphs 23 & 24 of the impugned order a judgement of the Hon'ble Supreme Court has been noticed, which paragraphs are as follows:

> ***"23.*** *As can be seen from the reply filed on behalf of the Respondents, their emphasis is on reconciliation of loan accounts, consideration of deductions, settlement between the parties and pendency of arbitral proceedings. So far as the reconciliation of loan accounts and adjustment of deductions are concerned, at best, the same can be considered as counter claim by the CD. As has been held by the Hon'ble Supreme Court in* ***B. Prashanth Hegde vs. State Bank of India and Anr.*** *(Civil Appeal No. 477 of 2022) decided on 12.02.2026, the Hon'ble Supreme Court ruled that in so far as set off and counter claim is concerned, the same may be considered at the stage of filing of proof*

of claims during the resolution process by the RP. Para 37 of the judgment reads thus:

> *"37. In Swiss Ribbons (P) Ltd. case (supra), Hon'ble Supreme Court has held that in so far as set-off and counterclaim is concerned, such set-off may be considered at the stage of filing of proof of claims during the resolution process by the Resolution Professional. In the present appeal, only counter claim has been made before DRT but no set off amount has been adjudicated upon. Moreover, any amount of counterclaim cannot retract from the fact of acknowledgement of the debts."*

24. *In the said judgment it could also be ruled that an application under Section 7 of IBC, 2016 hinges on a default on part of a CD of financial debt of an amount exceeding the specified threshold. In view of the judgment, the purpose of providing the date of default is to show that the debt is due and payable. Paras 40-42 of the judgment reads thus:-*

> *"40. Learned Counsels for Appellant and Respondent No.1 both have referred to the Master Circular No. RBI/2013- 14/62 DBOD No. BP. BC. 1/ 21.04.048/2013-14 dated July 1, 2013 (pp. 166-167 of written submissions and convenience compilation of appellant, Vol. I) with appellant interpreting its provisions regarding asset classification as NPA to be year 2010 from which the dates of default should be considered whereas Respondent No.1 claims that the year should be 2014. We agree with the argument of Ld. Senior Counsel of Respondent No.1 that while the asset classification of the restructured loan account would be governed as per applicable prudential norms regarding classification as NPA, insofar as acknowledgement of the debts is concerned they were implicitly present in working capital consortium agreements and other documents executed by the CD and banks and the debts were therefore alive at the time these agreements were entered into.*
>
> *41. We now consider the contention of the Corporate Debtor that the amount of counterclaim raised against the banks by the Corporate Debtor being Rs.1500 crores which is much more than the amount of debt, hence there will be a net amount payable to the corporate debtor and not to*

the banks. Therefore, there is no debt in default and liable to be paid to the banks. We note that the counterclaim has not been decided and so it remains just a proposition yet to be adjudicated upon. Moreover, merely raising a counterclaim in DRT proceedings does not in any way detract from the fact that debts are acknowledged, and they are in default, and therefore liable to be paid by the Corporate Debtor as the application under Section 7 is found to be within limitation.

42. We are convinced by the argument of Respondent No.1 that the date of NPA of the debt due to SBI is 31.1.2010 only for the purposes of the RBI guidelines. The actual date to default is the dates on which NPAs were initially declared by respective banks with 28.5.2014 for SBI, 30.6.2014 for PNB, 10.10.2014 for Corporation Bank and 31.12.2014 for UCO Bank, since the debts of respective banks were acknowledged by the CD till those dates. This is so because during the period from 2010 to 2014 when efforts were made by the four banks and the Corporate Debtor to restructure the debts, there was admission and implicit acknowledgment of the debts by the Corporate Debtor.""

14. The submission of the counsel for the appellant that appellant was ready to make payment as per payment schedule as was finalised on 30.12.2024 cannot be treated a ground to accept the submission that there is no default on the part of the corporate debtor. Default on the part of the corporate debtor is well proved from the material brought on the record, even on admission and various efforts made by the corporate debtor before the Delhi High Court as well as before the NCLT to bring on record settlement with the financial creditor in which he failed are ample proof of debt and default on the part of the corporate debtor.

15. We thus are of the view that admission of Section 7 application on default committed by corporate debtor cannot be faulted. Adjudicating authority having found debt and default proved has rightly admitted Section

7 application. Coming to the order dated 24.04.2026 passed by the adjudicating authority, admitting Section 7 application against the corporate guarantor Noida Marketing Private Limited, we having found the debt and default on the part of the principal borrower and the recall notice had already been issued against the corporate guarantor Noida Marketing Private Limited, no exception can be taken for admission of Section 7 application against the corporate guarantor Noida Marketing Private Limited. We thus are of the view that no grounds have been made out to interfere with the impugned orders dated 30.04.2026 and 24.04.2026.

Both the appeals are dismissed.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

NEW DELHI

29th May, 2026

himanshu