



NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT-II)
IN
Company Petition No. (IB)-213/ND/2026

IN THE MATTER OF (IB)-213/ND/2026:
(Under Section 7 of IBC, 2016)

Vinsan Credit & Securities Limited

E-10, Prashant Vihar,
New Delhi- 110085

**... Applicant/
Financial Creditor**

Versus

M U Buildcon Pvt. Ltd.

28, First Floor, Gall Abdul Salam Qureshi
Green Market, Bara Tooti Chowk,
Delhi -110006

**... Respondent/
Corporate Debtor**

Order Delivered on: 30.06.2026

CORAM:

SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)

SH. ATUL CHATURVEDI, HON'BLE MEMBER (T)

PRESENT:

For the Applicant : Adv. Vishal Hirawat

For the Respondent :



ORDER

PER: SHRI ASHOK KUMAR BHARDWAJ, MEMBER (J)

The captioned petition has been preferred by **Vinsan Credit & Securities Limited** (hereinafter referred to as the “Financial Creditor /Petitioner”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 against **M/s M U Buildcon Pvt. Ltd.** (hereinafter referred to as the “Corporate Debtor/Respondent”) seeking initiation of Corporate Insolvency Resolution Process on account of alleged default in payment of Financial debt amounting to ₹ 6,99,91,618.40/-. The amount of default is stated have arisen from the breach of Memorandum of Settlement dated 06.09.2023 and sanction letter dated 31.05.2012 executed between the petitioner and the respondent. It is the case of the Applicant that an application under Section 7 of the IBC, 2016 was earlier filed against the Respondent/Corporate Debtor and was admitted by this Tribunal vide order dated 01.08.2023 viz. CP (IB) No. 258/ND/2023. Subsequently, during the pendency of the CIRP, the suspended management of the Corporate Debtor approached the Financial Creditor with a proposal for an amicable settlement of the outstanding dues. Pursuant thereto, and upon approval of the Committee of Creditors, an application under Section 12A of the Code was filed seeking withdrawal of the CIRP. This Tribunal, vide order dated 30.10.2023, allowed the withdrawal of the CIRP in terms of the settlement arrived at between the parties. The Corporate Debtor failed to comply with the terms of the settlement. Consequently, the settlement stood breached and the benefit accruing therefrom ceased to operate. Accordingly,



the original debt, after giving due credit to the amounts received under the settlement, revived and became due and payable.

2. The facts as espoused by the petitioner in the captioned petition, reads thus:-

- I. In or around May 2012, the Corporate Debtor approached the Financial Creditor seeking financial assistance of Rs. 10,00,00,000/- for its business requirements. Upon considering the request and the representations made by the management of the Corporate Debtor, the Financial Creditor sanctioned a loan of Rs. 4,00,00,000/- vide Sanction Letter dated 31.05.2012. The loan carried interest at the rate of 6% per annum on a floating basis, with the interest to be settled at the end of each financial year. The terms of the sanction further provided that, in the event of default in payment of interest, the unpaid interest would be added to the principal loan amount. The Sanction Letter also entitled the Financial Creditor to demand partial or full repayment of the loan or the outstanding balance at any time before complete repayment of the loan together with interest, and the Corporate Debtor was liable to repay the same on demand.
- II. Pursuant to the sanction, the Financial Creditor disbursed the loan amount to the Corporate Debtor in various tranches as per its requirements. Initially, the Corporate Debtor regularly serviced the loan. However, it defaulted in payment of interest for the Financial Year 2014-15. Regarding the default, the directors of the Corporate Debtor attributed the delay to financial constraints and assured that the



outstanding interest would be cleared at the earliest. Thereafter, the Corporate Debtor made partial payments of Rs. 11,65,000/- on 01.12.2016 and Rs. 7,40,000/- on 15.12.2016 towards the outstanding interest. Despite these payments, substantial interest remained unpaid. The Corporate Debtor further failed to pay the interest accrued for the financial years ending March 2017, March 2018, March 2019 and March 2020, while continued to acknowledge the ledger accounts for the respective financial years.

III. During discussions with the directors of the Corporate Debtor, the Financial Creditor informed them that if the outstanding interest was not cleared before the end of the financial year in March 2021, the loan account would be classified as a Non-Performing Asset (NPA) and the entire loan would be recalled. Thereafter, the Corporate Debtor made a payment of Rs. 50,00,000/- on 30.03.2021 towards part payment of the outstanding interest. However, as the Corporate Debtor continued to remain in default and the outstanding liability kept increasing, the loan account was classified as NPA on 31.07.2021.

IV. Following the classification of the account as NPA, the Financial Creditor issued a legal demand notice dated 20.06.2022 demanding payment of Rs. 8,22,32,703/- as on 31.03.2021 along with future interest and incidental charges. The Corporate Debtor, through its Advocate, replied on 26.07.2022 seeking one month's time to settle the outstanding dues. Despite such assurance, no payment was made. Consequently, the Financial Creditor issued a recall notice dated 24.03.2023 recalling the entire loan facility and demanding payment of



Rs. 10,66,10,613/- as on 24.03.2023, being the total outstanding amount including accrued interest, within 10 days from receipt of the notice. The Corporate Debtor failed to repay the said amount.

- V. As a result, the Financial Creditor initiated proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 before this Tribunal. The application was admitted vide order dated 01.08.2023 passed in CP (IB) No. 258 (ND) / 2023 and Corporate Insolvency Resolution Process was ordered to be commenced against the Corporate Debtor.
- VI. During the pendency of the CIRP, the suspended management of the Corporate Debtor approached the Financial Creditor for an amicable settlement of the outstanding dues. Accordingly, a Memorandum of Settlement dated 06.09.2023 was executed between the parties. Under the settlement, the admitted claim of the Financial Creditor amounting to Rs. 10,92,07,239/- was agreed to be settled for an amount of Rs. 5,78,00,000/-. The settlement provided that the entire settlement amount would be paid by the Corporate Debtor on or before 31.03.2024, or alternatively by 31.05.2024 along with interest at the rate of 12% per annum. It was further agreed that, in the event of default by the Corporate Debtor, the parties would be at liberty to immediately initiate CIRP proceedings against the Corporate Debtor.
- VII. Pursuant to the settlement and upon approval of the Committee of Creditors, an application under Section 12A of the Code was filed seeking withdrawal of the CIRP. This Tribunal, vide order dated 30.10.2023, allowed the withdrawal of the CIRP in terms of the settlement arrived at between the parties.



VIII. In furtherance of the settlement, the Corporate Debtor paid Rs. 1,31,83,404.70 on 11.01.2024 and Rs. 26,29,124.90 on 17.01.2024 to FC. Thereafter, despite repeated follow-ups, the Corporate Debtor and its directors represented that efforts were being made to arrange the remaining funds and proposed to transfer an immovable property, i.e., the second floor forming part of the half portion of property bearing Municipal No. 2216-2222, situated at Gali Inder Chamar, Teliwara, Delhi-110006, towards partial discharge of the settlement amount to the extent of Rs. 2,00,00,000/-. The said property was transferred in favour of the Financial Creditor through a registered Sale Deed dated 05.03.2024.

IX. Despite the aforesaid payments and transfer of property, the Corporate Debtor failed to pay the remaining settlement amount and continued to make assurances without complying with its obligations under the settlement. Consequently, the Corporate Debtor breached the terms of the Memorandum of Settlement and committed default in payment of the agreed amounts. Owing to such breach, the benefit arising from the settlement ceased to operate and the original debt, after adjusting the amounts received and the value of the property transferred pursuant to the settlement, revived and became due and payable.

2. The Financial Creditor has furnished the details of the financial debt in Part IV of the petition. The relevant excerpt of Part IV, reads thus: -



Part – IV

| PARTICULARS OF FINANCIAL DEBT | | |
|---|------------------------------|--------------------------|
| 1. TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSEMENT | Rs. 6,28,00,000/- | |
| | Dates of Disbursement | |
| | Date | Amount |
| | 04.06.2012 | Rs. 1,00,00,000/- |
| | 05.06.2012 | Rs. 1,00,00,000/- |
| | 06.06.2012 | Rs. 50,00,000/- |
| | 27.11.2012 | Rs. 30,00,000/- |
| | 01.12.2012 | Rs. 50,00,000/- |
| | 07.03.2014 | Rs. 35,00,000/- |
| | 24.03.2014 | Rs. 15,00,000/- |
| | 07.04.2014 | Rs. 6,00,000/- |
| | 23.04.2014 | Rs. 10,00,000/- |
| | 09.05.2014 | Rs. 18,00,000/- |
| | 11.05.2014 | Rs. 12,00,000/- |
| | 23.06.2014 | Rs. 40,00,000/- |
| | 26.08.2014 | Rs. 13,00,000/- |
| | 26.08.2014 | Rs. 10,00,000/- |
| | 09.01.2015 | Rs. 12,00,000/- |
| | 13.01.2015 | Rs. 7,00,000/- |
| | 16.03.2015 | Rs. 50,00,000/- |
| | 19.03.2015 | Rs. 12,00,000/- |
| | 24.03.2015 | Rs. 5,00,000/- |
| | 25.03.2015 | Rs. 35,00,000/- |
| | 27.03.2015 | Rs. 18,00,000/- |
| | Total | Rs. 6,28,00,000/- |

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|---|--|
| 2. AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM) | <p>Total amount claimed to be in default is Rs. 6,99,91,618.40 (Rupees Six Crore Ninety Nine Lac Ninety One Thousand Six Hundred Eighteen and Forty Paise Only) as on 31.03.2026 plus future interest.</p> <p>That the Applicant had earlier filed an application bearing CP(IB) No. 258/2023 under Section 7 of the Code against the Corporate Debtor, pursuant to which CIRP was commenced on 01.08.2023.</p> |
| | <p>Subsequently, during the pendency of the CIRP, a settlement dated 06.09.2023 was entered into between the Suspended Director of the Corporate Debtor and the Financial Creditor, including the Applicant. Pursuant to which an application under Section 12A of the Code was filed and allowed vide Order dated 30.10.2023 in IA No. 5773/2023. As per the terms of the settlement, the settlement dues were to be paid by 31.05.2024; however, the Corporate Debtor failed to adhere to the terms of the settlement agreement, and consequently, the default occurred on 31.05.2024.</p> |



3. The Respondent/Corporate Debtor has not filed any reply opposing the pleas raised in the present petition. Ld. Counsel for the petitioner could draw our attention to the order dated 25.05.2026, which reveals that no one had entered appearance on behalf of the Corporate Debtor despite service of notice. In the wake, the proceedings qua it were set as ex-parte.

4. We have heard the Learned Counsel appearing for the Petitioner and perused the material available on record.

5. The case of the Petitioner is that CIRP was initiated against the Corporate Debtor vide Order dated 01.08.2023 passed by this Adjudicating Authority. Subsequently, a Memorandum of Settlement dated 06.09.2023 came to be executed between the Corporate Debtor and the Financial Creditors. Pursuant thereto, and upon approval of the Committee of Creditors, an application under Section 12A of the Insolvency and Bankruptcy Code, 2016 was filed seeking withdrawal of the CIRP. This Adjudicating Authority, vide Order dated 30.10.2023, allowed the withdrawal of the CIRP in terms of the settlement arrived at between the parties.

6. Pursuant to the Memorandum of Settlement, the Corporate Debtor paid an amount of Rs. 1,31,83,404.70 on 11.01.2024 and Rs. 26,29,124.90 on 17.01.2024 to the Petitioner. According to the FC, upon further follow-ups, the Corporate Debtor and its directors represented that they were in the process of arranging and were making efforts to transfer an immovable property, viz., the second floor forming part of the half portion of property bearing Municipal No. 2216-2222, situated at Gali Inder Chamar, Teliwara, Delhi-110006, towards partial discharge of the settlement amount to the



extent of Rs. 2,00,00,000/- (Rupees Two Crore Only). The said property was accordingly transferred in favour of the FC vide a registered Sale Deed dated 05.03.2024. It is the petitioner's case that, thereafter, despite repeated demands, the Corporate Debtor failed to pay the remaining settlement amount and continued to extend assurances regarding payment.

7. The CIRP qua CD viz. M U Buildcon Private Limited was initiated by this tribunal vide Order dated 01.08.2023 passed in CP (IB) No. 258/ND/2023. The relevant observations made in the said order reads thus:-

2. As can be gathered from the pleadings and documents available on record in May 2012, the CD approached the FC to seek credit facility of Rs.10 Crores to expand its business activities. In acceptance of the request made by the CD, in terms of the letter dated 31.05.2012, the FC informed the CD that an amount of Rs.4,00,00,000/- was sanctioned to CD for its business, subject to the terms and conditions mentioned in the letter. In terms of the conditions mentioned in the letter, the loan amount was to be disbursed by FC to CD through RTGS/NEFT/Cheque, on demand by the CD and the disbursed amount would be legal and legitimate money of the FC. The CD was liable to pay interest @ of Rs.6% per annum, which was to be settled at the end of each Financial Year. The interest rate could vary in future. In the event of there being default in payment of interest by due date, the entire interest amount was added to the principal loan amount. On request of the Borrower/CD, the FC/Lender could enhance the loan amount up to Rs.10 Crores. The FC/Lender was free to demand refund of loan amount or outstanding balance at any time till completion of repayment by the Borrower. In the event of default in repayment, the CD/Borrower could be liable to pay penal interest @ of Rs.0.01% per annum over and above the rate of interest already specified i.e. 6%. The FC disbursed the amount of loan to CD between June, 2012 to March, 2013 in part i.e. an amount of Rs.3,30,00,000/-. The interest payable on said amount i.e. Rs.12,50,433/- was paid by the CD on 06.05.2013. Thereafter, the FC disbursed the amounts of Rs.35,00,000/- and 15,00,000/- to CD on 07.03.2014 and 24.03.2014 respectively. Resultantly, on 07.04.2014, the CD paid an amount of Rs.18,01,087/- on outstanding amount of loan of Rs.3,80,00,000/-. Later, between April 2014 to March 2015, the FC disbursed the amounts of Rs.6,00,000/-, Rs.10,00,000/-, Rs.18,00,000/-, Rs.12,00,000/-, Rs.40,00,000/-, Rs.13,00,000/-, Rs.10,00,000/-, Rs.12,00,0000/-, Rs.7,00,000/-, Rs.50,00,000/-, Rs.12,00,000/-, Rs.5,00,000/-, Rs.35,00,000/-, Rs.18,00,0000/- to CD. Then, at the end of Financial Year 2015, the CD paid an amount of Rs.34,14,439 to FC as interest on principal outstanding amount of Rs.6,28,00,000/-. Nevertheless, the CD could not adhere to the time schedule for payment of interest due in June 2015, and committed default for the first time. Thereafter, upon closing of the Financial Year ending in March 2016,



the FC charged interest on the total outstanding amount of Rs.6,62,14,439/- @ of 9% per annum i.e. total amount of Rs.47,67,439/-. It is the case of the FC that the CD defaulted in payment of interest in March 2015 as also in March 2016. Nevertheless, the CD paid Rs.11,65,000/- and Rs.7,40,000/- to FC on 01.12.2016 and 15.12.2016 respectively towards the interest due and payable. However, the payment was only qua partial amount of interest only and the default still persisted. Again, as per the agreed terms between the parties the FC charged interest @ 7% on total outstanding amount of Rs.6,90,76,878/- at the end of Financial Year 2017.

3. In sum and substance, the plea espoused by the FC is that the CD defaulted in paying the interest for the financial years ending on March 2017, 2018, 2019, 2019 and 2020 respectively. On 30 March 2021, the CD paid to FC an amount of Rs.50,00,000/- towards part payment of outstanding interest. However, the FC declared the loan account of the Respondent as NPA and issued legal notice to CD demanding the amount of Rs.8,22,32,703/- due as on 31.03.2021. According to the FC, the CD sent reply to notice through his counsel and asked the Applicant to give it one month time to settle the outstanding dues (ibid). Nevertheless, vide notice dated 24.03.2023, the FC recalled the entire loan facility extended to CD and called upon it to pay Rs.10,66,10,613/- due as on 24.03.2023 to FC within 10 days of the receipt of recall notice.

4. According to FC as there was no written loan agreement, the debt became due and payable on demand by the Creditor and failure to adhere the demand of the Creditor on the part of Debtor amounts to default. To buttress the plea, the FC relied upon the order passed by this Adjudicating Authority (Hyderabad Bench) in **Quinn Logistic India Private Ltd. v Macksoft Tech Pvt. Ltd. (CP IB No. 97/7/HDB/2017)**. Relying on **(Hayvio Pty Ltd – Ottavio Pty Ltd [2011] NSWSC 1125)**, the FC has contended that there being no agreement to the effect, the loan should be repaid on demand.

5. As the CD defaulted to repay the loan amount, the FC has preferred the present petition seeking initiation of process for Resolution of Insolvency of the CD. The copy of bank statement reflecting the disbursal of loan to CD is placed on record as Annexure A-6 to the petition. The FC has also filed the ledger account from 2012 to 2021 as Annexure A-7 to the petition. The ledger accounts are duly confirmed by the CD.

6. As can be seen from reply to Legal Demand Notice dated 20.06.2022, sent on behalf of CD to Mr. Ravinder Gupta Advocate for FC (Annexure A-8 colly), the CD did not deny the debt due against it and default committed by it in repayment of the same. Relevant excerpt of reply to Legal Notice reads thus: -



“1. That para no. 1 to 4 are matter of record and needs no reply.

2. That para no. 5 to 7 is wrong and denied as my client was regular in payment of interest to your client which can be checked as per the statement of 26AS. But due to some financial crisis my clients didn't paid interest since April 2021 but my clients are ready and willing to clear the outstanding of your client very soon. My clients need some time to pay the outstanding amount to your client as my clients are indulged in some litigation which will be settled very soon. So, my clients need one month time to settle the outstanding amount of your client.

Under the above-mentioned facts and circumstances, I through this reply of your legal notice advise you and your client to please wait for one month (provide one month time to my clients) to settle the outstanding amount.

You are hereby advised to guide your client to wait for one month in the meantime my clients will settle the matter.”

7. When in reply to Legal Notice, the CD could admit the debt and default, despite service of notice, it also did not appear before this Adjudicating Authority to oppose the captioned petition. As can be seen from Section 7(5) of the IBC, 2016, on being satisfied that a default has occurred and the application filed under sub-section 2 of Section 7 of the Code is complete and there are no disciplinary proceeding pending against the proposed Resolution Professional, this Adjudicating Authority may pass the order admitting the petition for initiation of the process for Resolution of Insolvency of CD. In the present case, the reply dated 26.07.2022 sent on behalf of CD to Legal Notice is admission qua the debt and default. Besides, the CD has confirmed the ledger account maintained by the FC showing the outstanding debt amount against it. The FC has also placed on record the Statement of Bank Account maintained in Axis Bank in its branch situated at E-10 Prashant Vihar Rohini, Delhi North West to show the disbursement of loan amount to the CD. As can be seen from Regulation 2A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, certified copies of entries in the relevant account in the Banker's Book as defined in Clause 3 of Section 2 of Banker's Book Act, 1891, is sufficient evidence of default. The FC has placed on record the copy of its account statement maintained in Axis Bank. The IP namely Deepa Gupta having registered no. IBBI/IPA-002/IP-N00867/201-2020/12801 proposed by FC to act as IRP qua the CIRP sought to be initiated by way of the present petition has given a certificate that no disciplinary proceedings are pending against her. Thus, the requirement under Section 7 (5) of IBC, 2016 is found satisfied.



8. As far as the question of calculation of amount of debt defaulted to be paid by CD is concerned, we refrain from commenting upon the same. Nevertheless, since the amount of default is more than Rs.1 Crore, the captioned petition is complete and the IP who has given consent to be appointed as IRP qua the CD has certified that no disciplinary proceedings are pending against her, **the present petition is ordered to be admitted** and the process for Resolution of Insolvency qua the CD is directed to be initiated.

8. Subsequent to the passing of the aforesaid Order dated 01.08.2023, the parties arrived at a settlement and moved an application under Section 12A of the Insolvency and Bankruptcy Code, 2016 seeking withdrawal of the CIRP. A perusal of the Order dated 30.10.2023 passed by this Adjudicating Authority in CP (IB) No. 258/ND/2023 reveals that the Corporate Debtor was released from the rigours of the CIRP in view of the settlement arrived at between the parties. The relevant excerpt of the order dated 30.10.2023 reads thus:-

IA-5773/2023: Heard the Ld. Counsels for the parties. Ld. Counsel appearing for the Applicant could draw our attention to Form-FA, as also, the resolution dated 04.09.2023 passed by the CoC. The relevant excerpts of the resolution of CoC reads thus:

Resolution:

"RESOLVED THAT the members of the Committee of Creditors be and is hereby approves the Settlement proposal submitted by the power suspended Directors of the Corporate Debtor as below:

- i The Erstwhile management shall pay a sum amounting to 5% of the principal amount of all the three financial creditors by issuing cheque dated 11.09.2023 today during the meeting in the account opened by the IRP named 'M.U. BUILDCON PRIVATE LIMITED UNDER CIRP' . The details of the same are provided below:
 - d) An amount of Rs. 28,90,000/- (i.e. 5% of the principal amount of Rs. 5,78,00,000/- due to Vinsan Credit And Securities Limited) by cheque no. 994150.
 - e) An amount of Rs. 15,10,000/- (i.e. 5% of the principal amount of Rs. 3,02,00,000/- due to Parsee Leasing And Finvest Limited) by cheque no. 994148.
 - f) An amount of Rs. 10,12,500/- (i.e. 5% of the principal amount of Rs. 2,02,50,000/- due to DayalFinsec Limited) by cheque no. 994149.
- ii Thereafter, the erstwhile management propose to pay a sum amounting to 50% of the principal amount (which includes the 5% already paid) till 31st December, 2023 to all the three financial creditors.



- iii The balance 50% of the principal amount of all the three financial creditors shall be paid till 31st March, 2024, whereas in case the entire remaining amount of 50% is not paid due to any reasonable ground then at least balance 35% of the principal amount shall be received by 31st March, 2024 and the remaining 15% of the balance principal amount shall be paid within 2 months of grace period from the last date i.e. 31st May, 2024 along with an interest rate of 12% p.a.
- iv In case of any default or non-payment by the erstwhile management, the CIRP shall be initiated immediately from 1st of June of 2024 against the CD.
- v The interest amount apart from the principal amount which is being part of the claim filed by the Financial Creditors shall become waived off in case the entire Principal amount is paid by the Directors (Power Suspended)."

"RESOLVED FURTHER THAT the members of the Committee of Creditors is be and hereby authorizes the Interim Resolution Professional/Resolution Professional to file an withdrawal application under the section 12A of the Insolvency and Bankruptcy Code, 2016 read with Regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 before the Hon'ble NCLT, New Delhi Bench for withdrawal of the CIRP of the CD."

In view of the averments made in the application, and the submissions put forth by the Ld. Counsel appearing for the Applicant, the IA is allowed and the **IB-258/ND/2023 is dismissed as withdrawn**. The CD is released from the rigours of CIRP and allowed to function from its board.

9. At this stage, when the Petitioner has once again approached this tribunal seeking initiation of CIRP against the Corporate Debtor, it would be apposite to refer to the Memorandum of Settlement dated 06.09.2023. A perusal of the said Memorandum reflects that during the first meeting of the Committee of Creditors held on 04.09.2023, the Suspended Director of the Corporate Debtor entered into an amicable settlement with the members of the Committee of Creditors. As per Clause 2.1 of the Memorandum of Settlement, the admitted claim of the Petitioner was quantified at Rs. 10,92,07,239/-, whereas the settlement amount agreed between the parties was Rs. 5,78,00,000/-.

10. It is not in dispute that certain payments were made by the Corporate Debtor pursuant to the settlement. However, the Corporate Debtor failed to make the payment of balance amount as per settlement. Clause 3.2 of the Memorandum of Settlement stipulated 31.03.2024 as the due date for CP (IB)-213/(ND)/2026



payment of the balance amount, which could be subsequently extended till 31.05.2024. Despite such extension and the indulgence granted by the creditors, the Corporate Debtor failed to liquidate the outstanding dues.

11. From the material placed on record, it is evident that the settlement, on the basis of which the CIRP was withdrawn under Section 12A of the Code, has not been honoured in its entirety. The default committed by the Corporate Debtor continues to subsist. Though we are not presently undertaking an exercise to determine the exact quantum of the outstanding amount, the documents placed on record sufficiently shows that the amount remaining unpaid is well above the threshold prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016.

12. In these circumstances and in the absence of any rebuttal from the Corporate Debtor despite due service, we are satisfied that a financial debt remains due and payable and that default thereof has occurred. The amount of default mentioned in the application is above the threshold limit as prescribed under Section 4 of the I&B Code. In the wake, **we are left with no option but to admit the present petition and initiate the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor. Ordered accordingly.**

13. In light of the above facts and circumstances, it is, hereby ordered as follows:-

- i. As a consequence of the Application C.P. (IB) 213/ND/2026 being admitted in terms of Section 7 of the Code, moratorium as envisaged



under the provisions of Section 14(1) of the Code, shall follow in relation to the Respondent/(CD) as per clauses (a) to (d) of Section 14(1) of the Code. However, during the pendency of the moratorium period, terms of Section 14(2) to 14(3) of the Code shall come into force.

- ii. As proposed by the Petitioner, this Bench appoints Ms. Deepa Gupta as IRP having Registration No. IBBI/IPA-002/IP-N00867/2019-2020/12801, Email id: advocate.deepa.gupta@gmail.com. She has filed her written communication, as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The Form 2 furnished by the IP has been placed on record as enclosure to the petition. There is a declaration made by her that there are no disciplinary proceedings pending against her with the Board or ICSI Institute of Insolvency Professionals. In addition, further necessary disclosures have been made by Ms. Deepa Gupta as per the requirement of the IBBI Regulations.
- iii. The Applicant is directed to deposit Rs.2,00,000/- (Two Lakh only) with the IRP to meet the immediate expenses. The amount, however, will be subject to adjustment by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid back to the Applicant.
- iv. We declare the Moratorium in terms of the provisions of Section 14 of IBC, 2016. Further, the IRP would act in terms of the provisions of Sections 13, 15, 17, 18, 20 and 21 of IBC, 2016 read with Regulations thereunder.



- v. In terms of Section 7(7) of the Code, the Registry/Court Officer is hereby directed to communicate a copy of the order to the Applicant/FC, the Respondent/CD, the IRP and the Registrar of Companies, NCR, New Delhi, by Speed Post and by email, at the earliest but not later than seven days from today. The Registrar of Companies shall update his website by updating the status of the Respondent/CD and specific mention regarding admission of this petition must be notified.
- vi. The Registry/Court Officer is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India for their record.

Sd/-
(ATUL CHATURVEDI)
MEMBER (T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER (J)