

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 301 of 2025

IN THE MATTER OF:

Lal Chand Morani

...Appellant

Versus

Satyendra Prasad Khornia & Ors.

...Respondents

Present:

For Appellant : Mr. Vivek Jain, Mr. Bhrigu Sharma, Mr. Puneet Parihar,
Mr. Manan Khanna, Mr. Sadiq Noor and Mr. Vishal
Gupta, Advocates

For Respondent : Mr. Shailendra Singh, Mr. Abhyuday Dhasmana,
Advocates for HDFC Bank.
Mr. Anupam Singh, Mr. Ajeyo Sharma and Mr. Nika
Tiwari, Advocates for R-2.

O R D E R
(Hybrid Mode)

02.07.2025 This Appeal have been filed against the order passed by Adjudicating Authority dated 04.02.2025 admitting Section 7 Application filed by Kotak Mahindra Bank Limited. The Adjudicating Authority by the impugned order found the debt and default established and after returning the finding of that debt and default, Section 7 Application was admitted appointing the IRP.

The Appellant submitted that the Appellant is ready to liquidate the amount as has been shown in Part-IV of the Section 7 Application which was noticed in order dated 24.02.2025.

Learned Counsel for the HDFC Bank also took liberty to file intervention application, Intervention was permitted on 24.03.2025. On 22.05.2025 this Tribunal has notice that no settlement has brought on the record, thereafter the appeal have been taken today.

Learned Counsel for the Appellant submits that the Appellant has submitted a proposal to the Kotak Mahindra Bank, which is under consideration by the Board of Directors.

Learned Counsel for the HDFC Bank submits that they have rejected the proposal submitted yesterday night and Appellant's have been informed.

In the facts of the present case, we are of the view that in event the Suspended Directors enter into a settlement with the Kotak Mahindra Bank and the HDFC Bank as submitted by the Appellant, the course open is to file Section 12A Application before the Adjudicating Authority for withdrawal of the CIRP as has been laid down by the Supreme Court in **GLAS Trust Company LLC Vs. BYJU Raveendran & Ors. in Civil Appeal No. 9986 of 2024**. There is no reason to keep the Appeal pending. With liberty to file appropriate application under Section 12A, we close the Appeal.

The Learned Counsel for the Appellant further submitted that CoC has not yet been constituted till date. We provide that in event the application under Section 12A is filed within a period of two weeks, the CoC may not be

constituted for two weeks. It is open to the financial creditor to file the application under within the aforesaid within two weeks under 12A failing which the CIRP shall proceed accordingly. The appeal is dismissed subject to above.

[Justice Ashok Bhushan]
Chairperson

[Justice N Sesha Sayee]
Member (Judicial)

[Arun Baroka]
Member (Technical)

pks/nn