NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1214 of 2026

IN THE MATTER OF:

Mrunal Kanubhai Patel **...Appellant(s)**

Versus

Vanshita Transport Through
Its Proprietor Mr. Nilesh V. Thakkar & Anr. **...Respondent(s)**

Present:

For Appellant(s)	**:**	Mr. Arun Kathpalia, Sr. Advocate with Ms. Ruby Singh Ahuja, Mr. Parth Contractor, Ms. Ravneet Kaur Malik, Ms. Varsha Himatsingka, Advocates.
For Respondents	**:**	Ms. Honey Satpal, Mr. Akash Agarwalla, Mr. Aman, Ms. Tanya Gupta, Advocates. CA IP Sanjay J. Shah, for R-2/IRP. Gautam Singh.

O R D E R
(Hybrid Mode)

Reply filed by the Respondent. No. 2/ Interim Resolution Professional of the CD is taken on record.

2. Heard Shri Arun Kathpalia, Ld. Sr. Counsel appearing for the Appellant, Ms. Honey Satpal, Ld. Counsel appearing for the Respondent No.1/Operational Creditor, and Mr. Sanjay Shah appearing for the IRP - Respondent No. 2.

3. Instant Appeal has been preferred by the appellant, who is the suspended director and promoter of Monte Carlo Limited (CD) challenging the judgment and order dated 06/07/2026, passed by the National Company Law Tribunal, Ahmedabad, Bench (Court-II) passed in CP (IB) No. 246 of 2025, whereby the petition filed by the operational creditor, Respondent No. 1, was accepted and the insolvency process was initiated against the CD.

4. Learned Senior Counsel appearing for the appellant submits that the corporate debtor is a highly profitable company with a net worth of Rs. 1,962 crores and has audited net profit of Rs. 205.59 crores, Rs. 259.31 crores and Rs. 231.30 crores in the last three financial years. It is rated as IND AA-/ Positive in the credit ratings, however, has been subject to the CIRP due to the passing of the impugned order only for a sum of Rs. 1,47,83,503/-.

5. It is further submitted that it was on account of the collusion of one of the employee of the appellant that the work order for procuring transportation was given to the operational creditor at a very high price in comparison to the established market rates of Rs. 1.69 per km and it was surfaced that the said employee has illegally taken rupees ten lakhs from the OC for luring the contract for him.

6. It is further submitted that there was prior dispute in the matter with regard to the measurements and as the billing was also done on the basis that distance was 825 km each way for the Bhagalpur route, however, a joint physical verification was held on 17th February 2025 in the presence of the police authorities and also in the presence of the proprietor of the Respondent No. 1 himself, and the distance was measured as 750.2 km, which was also corroborated by the independent GPS tracking data of approximately 763 km as per the odometer readings and Google Maps. However, this prior dispute has not been considered in right perspective by the Ld. Adjudicating Authority.

7. We recall that when this appeal was first presented before us, it was argued by Ld. Senior Counsel for the appellant that though the appellant has a very strong case on merits, to show its bona fide the appellant is ready to

deposit the amount of ₹1,47,83,503/- with this appellate tribunal and for that purpose, a demand draft of ₹1.50 crore has also been prepared.

8. By passing an order dated 10th July 2026, we communicated our view to Ld. Senior Counsel, appearing for the appellant, that since the appellant is a financially sound company and the dispute is only with regard to Rs. 1.47 crores, which may not be of any importance to the appellant, and the same may be paid to the Respondent No. 1/ operational creditors, subject to the final disposal of this appeal. Ld. Senior Counsel had fairly submitted that he will take instructions in this regard. On that day this Appellate Tribunal also directed that the IRP shall not take any action in furtherance of the impugned order dated 6th July 2026 till the next date of listing. We also notice that a demand draft of Rs. 1.50 crore was accordingly deposited with the registry of this appellate tribunal.

9. We also notice that on 14th July 2026 this Appellate Tribunal has passed the following order:

> *"Learned Senior Counsel appearing for the Appellant submits that the Appellant has deposited the whole of the amount pertaining to which Application under Section 9 of the Insolvency and Bankruptcy Code, 2016 was filed by the OC and this Hon'ble Tribunal has very kindly passed an interim stay order whereby the IRP has been directed not to take any further steps, but the Appellant is an infrastructure company and frequently applies for various contracts in various departments/entities and the impugned order may be taken as adverse in allotment of contracts etc. in favour of the Appellant.*
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> *In view of the fact that, in compliance of our earlier order the Demand Draft of Rs. 1.50 cr has already been deposited by the Appellant, we clarify that till further order the impugned order, shall not be taken adverse to the interest of the Appellant in allotment of any contract etc".*

10. Ld. Senior Counsel, appearing for the appellant, has drawn our attention towards a clause in the settlement agreement dated July 25, 2026. In this clause it is stated that the operational creditor has raised certain claims against the corporate debtor towards transportation charges stated to be outstanding under the work orders, together with interest and GST thereon up to the date of filing of the petition, aggregating to approximately Rs. 1.47 crore and these claims were disputed by the corporate debtor in their entirety. Clause 4.1 of the settlement agreement is also highlighted, wherein it is stated that the operational creditor irrevocably and unconditionally consents to the setting aside and quashing of the impugned order and would not have any objection. It is submitted that in furtherance of this settlement agreement the whole of the amount which was allegedly due to the corporate debtor of the operational creditor has been paid and the claim of the operational creditor has been settled in full and final.

11. Ld. Counsel for the Respondent No. 1, while drawing our attention to the Affidavit cum undertaking filed by the Respondent No. 1, submits that the claim of the operational creditor has been amicably settled in terms of the Settlement Agreement dated 25th July 2026 and in view of this settlement the Respondent No. 1/Operational Creditor unconditionally consents to setting aside and quashing the impugned order. It is submitted that the whole claim of the OC has been satisfied and he has also received the amount of claim in full.

12. Perusal of the affidavit filed by the Respondent No. 2, i.e. the Interim Resolution Professional, would also fortify that after the insolvency

commencement the public announcement was issued on 8thJuly 2026 and only one claim relating to provident fund dues was received from EPFO.

13. Ld. Counsel for the IRP is present through VC and has informed that up to now only one claim of Rs. 2.98 lakhs of EPFO was filed and the said claim has been settled/ paid by the corporate debtor. In this regard he has relied on an email of date 29th July 2026 sent by the Employees Provident Fund Organization intimating that the EPFO has received the claimed amount from the establishment through demand draft. A copy of this email has been taken on record. Thus it is submitted by the IRP that the only claim he received was of EPFO and the same has been settled and as of now there is no claim filed by any creditor.

14. Ld. Senior Counsel, appearing for the Appellant, has also placed on record a communication dated 29th July 2026 sent by the Bank of Baroda, indicating therein that as on date the account of the CD is running standard and regular and there is no overdue reported in the account. On the basis of this communication it is submitted that the CD is not in default of any amount. The said communication placed by Ld. Senior Counsel for the appellant for our perusal is also taken on record.

15. Having heard Ld. Counsel for the parties and having perused the record, it is reflected that apart from the fact that parties have settled the matter amicably it is also evident that the appellant in its pleading has specifically contended that there was genuine prior dispute in the matter with regard to the measurement of distance. Though the operational creditor has filed its response, in this appeal, this contention of the appellant has not been controverted in the said response and significantly it is stated that the

operational creditor is not having any objection if the impugned order passed by the Ld. Adjudicating Authority is set aside or quashed.

16. We also notice that specific averments has been made by the appellant in the appeal indicating as to how the contract has been procured by giving bribe to one of the employee of appellant and an F.I.R. in this regard is also stated to have been lodged against the employee. It is also stated in clause B of the settlement agreement, which has been signed by CD and OC both that OC raised claims against CD towards transportation charges stated to be outstanding under the work orders together with interest and GST aggregating to approximately Rs. 1.47 Crore were disputed by the CD in their entirety and in clause C it is stated that OC thereafter issued a demand notice dated 01.01.2025 which was sent on 04.01.2025. Thus on the basis of all these facts it is submitted by Ld. Counsel for Appellant that it is a case where the prior dispute was existing between the parties, even prior to the issuance of notice under Section 8 of the Code and this issue has not been properly addressed by Ld. Adjudicating Authority.

17. Ld. Senior Counsel appearing for the appellant has placed before us an order dated 10th July 2026 passed by this appellate tribunal in CA (AT) (Ins) No. 850 of 2026. The relevant portion of the same is reproduce as under:

> *3. In* ***'Rajeev Goyal' Vs. 'Sankalp Siddhi Developers Pvt. Ltd. & Anr.', (Comp. App. (AT) (Ins.) No. 846/2025)****, in similar circumstances, the CIRP was directed be closed. The relevant paragraphs of the judgment, are as below:*
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> > *"5. We have also gone through the Judgements viz "Gaurav Bhatia (Suspended Director of Bird Consultancy Services Pvt. Ltd.) Versus Smriti Bhatia & Ors.", Company Appeal (AT) (Ins) No.881 of 2025 as well as "Sachin Malde Vs. Hemant Nanji Chheda & Anr.", Company Appeal (AT) (Insolvency) No. 123 of 2024*

> *wherein in similar circumstances, the CIRP was directed to be closed. In the said Judgement, the reference was also made to "GLAS Trust Company LLC Vs. BYJU Raveendran & Ors." Civil Appeal No. 9986 of 2024 which held in appropriate cases inherent power can be exercised to close the proceedings. In both these cited Judgements, the CIRP was directed to be closed and the Impugned Order was set aside.*
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> *6. In view of the law stated above and also the settlement arrived at between the parties and also that the only claimants have also withdrawn their claim, hence there is no impediment in closing of the CIRP. In the circumstances, the proceedings of Corporate Insolvency Resolution Process against the Corporate Debtor needs to be closed. The impugned Order is thus set aside."*

4.Considering the submissions made by the learned Sr. counsels, the learned counsel for respondent No.1 and in view of the affidavits filed by the IRP and per ***'Rajeev Goyal'*** *(supra), especially considering the fact there are no claims received despite the publication of 'Form-A' for 08.05.2026, we are of the considered opinion there is no impediment in closing of the CIRP and in view of the circumstances stated above. Thus, the CIRP of M/s. Prime Focus Ltd. stands closed.*

5. It is submitted by the learned Sr. counsel for the appellant in view of the above, the lien of the bank on the FDR of Rs.3,53,79,74,505/- needs to be removed and the parties shall receive the payments strictly in terms of the Discharge Agreements dated 01.07.2026. In these circumstances, the lien stands withdrawn and the money be disbursed to the parties in terms of the Discharge Agreement dated 01.07.2026.

6. The appeal is thus disposed of. Impugned order stands set aside. Pending applications are also disposed of".

18. Keeping in view all the facts and circumstances of this case we are of the view that parties in their settlement agreement have jointly contended that there was existence of prior dispute in this case even prior to the issuance of notice under Section 8 of the Code. The claim of the operational creditor, on

whose application moved under Section 9, the CIRP was initiated, has also been satisfied in full and claim of the OC/Respondent No. 1 has been fully discharged and the OC instead of contesting has stated that he is not having any objection if the impugned order is set aside. No other creditor has filed the claim except EPFO, which has been discharged in full and EPFO by sending email has admitted to have received the amount in satisfaction of whole of its claim. Thus in our considered opinion the impugned order is liable to be set aside not only on account of amicable settlement entered into between the parties but also on the admission of the parties with regard to the existence of prior dispute and the CIRP of the CD may be closed.

19. In result the appeal is **allowed** and the impugned order passed by the Ld. Adjudicating Authority of date 06.07.2026 is set aside and the CIRP of the CD is hereby closed.

20. In view of the clause 4.5 of the settlement agreement, all the costs of the CIRP, fees and expenses of the IRP shall be borne by the CD or the appellant as the case may be.

21. Since it is admitted by Ld. Counsel for the Respondent No.1/OC that his whole claim has been discharged and paid in full by the CD, there is no use of keeping the money deposited through demand draft by the Appellant. Thus we direct Ld. Registrar to return the amount deposited through the demand draft no. 003531 dated 10.07.2026 of Rs. 1,50,00,000/- drawn on Axis Bank to the Appellant or his Counsel, strictly in accordance with law.

22. There is no order as to costs.

23. Pending IA's, if any, are also disposed of.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member (Technical)

New Delhi
03.08.2026
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