NATIONAL COMPANY LAW APPELLATE TRIBUNAL
CHENNAI BENCH
(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) (Ins.) No. 46/2026
(IA Nos. 112, 113 & 114/2026)

IN THE MATTER OF:

GS MEGHA CONSTRUCTIONS PRIVATE LIMITED,
a company incorporated under the provisions of the Companies Act,
having its registered office at
SB-407, Sylvan Block, Anand Vihar,
Old Mumbai Highway, Shaikpet, Toli Chowki,
Hyderabad, Telangana - 500008,
Represented by its Suspended Director
Mrs. G. Kamala **…APPELLANT/CORPORATE DEBTOR**

Vs

OMKARA ASSETS RECONSTRUCTION PRIVATE LIMITED,
a company incorporated under the provisions of the Companies Act, and also
acting in its capacity as Trustee of Omkara PS 23/2024-25 Trust,
having its registered office at No. 9,
MP Nagar First Street, Kongu Nagar Extension,
Tirupur, Tamil Nadu - 641607,
and having its corporate office at Kohinoor Square, 47th Floor,
N.C. Kelkar Marg, R.G. Gadkari Chowk
Dadar (West), Mumbai - 400028,
Represented by its Authorised Officer
...RESPONDENT NO.1 / FINANCIAL CREDITOR

INTERIM RESOLUTION PROFESSIONAL
MS. KANAK JANI,
Registration Number: IBBI/IPA-001/IP-P01757/2019-2020/12685,
Address: 17, Sai Moreshwar Luxuria,
Plot No. 74, Sector 18, Kharghar, Navi Mumbai,
Maharashtra - 410210. **…RESPONDENT NO. 2**

Present:

For Appellant : Ms. Madhavilatha Lokireddy, Advocate.
For Respondents : Ms. Bhavya Mohan, Advocate for R1.
Ms. Kanak Jani, R2/RP.
Ms. Anusha Peri, Advocate for R2/RP.

JUDGMENT
(Hybrid Mode)

[Per: Justice Sharad Kumar Sharma, Member (Judicial)]

The brief facts, which marginally require reference are that, by virtue of the impugned order of 08.01.2026, the corporate debtor, i.e., M/s GS Megha Constructions Pvt. Ltd., was directed to be admitted to the CIRP, by invocation of the provisions contained under Section 7 of the I&B Code.

2. As per the records, that were made available before the Ld. NCLT, the appellant was shown to have been sanctioned with term loan of Rs. 60 Crores by the DHFL, as far back as in the year 2015 for carrying out its construction and development activities. It is contended by the appellant, that there was a partial disbursal as against the total sanctioned loan amount, and the disbursement that was actually made was of a sum of Rs.33,50,00,000/- as would be apparent from the disbursement letter that was issued by the DHFL.

3. Subsequently, the said financial debt was assigned to Piramal Capital and Housing Finance Limited in 2021 who in turn assigned it to Omkara Asset Reconstruction Private Limited vide an assignment deed dated 10.01.2023.

Omkara the Respondent No. 1 herein had invoked the proceedings under Section 7 of the IBC by filing the Section 7 application dated 31.07.2024, alleging a default of Rs. 1,29,73,95,652/- which was shown to be the defaulted amount standing as on 31.05.2024. After hearing both the parties and going through the records, Ld. NCLT allowed the Section 7 application and ordered commencement of CIRP against the Corporate Debtor, vide the impugned order dated 08.01.2026.

4. In Section 7 proceedings, before the proceedings could attain the stage of final hearing and after orders were reserved on the Section 7 petition, the Appellant initiated negotiation for entering into an amicable settlement so as to resolve the issue by offering a proposal of one-time settlement, which was formally accepted by the respondent, and a letter of intent was issued too on 18.12.2025 agreeing to settle the entire alleged dues for the consolidated sum of Rs. 50 Crores, taking it as to be the full and final settlement.

5. In compliance with the terms of settlement, the appellant is said to have deposited an upfront amount of Rs. 5 Crores by way of a demand draft dated 16.12.2025, which was received and acknowledged too by the respondent, which, according to the appellant, is an expression of his bonafide intention to settle the dispute inter se between the parties.

6. It is argued by the learned counsel for the appellant by putting a challenge to the impugned order, that despite the fact that the binding settlement was still subsisting and is valid upto 07.09.2026 and the partial payment under the

settlement that was made by the appellant has been received by the Financial Creditor, the Ld. NCLT has proceeded to pass the impugned order of 08.01.2026, thereby directing the admission of the Section 7 application, resulting into initiation of the CIRP.

7. The argument of the Ld. Counsel for the appellant has been that in light of the principles laid down in the judgment of Hon'ble Supreme Court passed in '***Vidarbha Industries Power Ltd. v. Axis Bank Ltd**.'* as reported in **[(2022) 8 SCC 352]**. It has been laid down that the Tribunal has to exercise its discretion and to consider other relevant factors even when debt and default exist. But Ld. Tribunal did not exercise its discretion to defer the admission of CIRP even when a valid binding one-time settlement has been accepted between the parties. Thus, the sole controversy that would be emanating to be considered would be as to what would be the impact of acceptance of the onetime settlement and that too once the parties have proceeded to act upon the same by acceptance of the terms, and the Appellant has deposited the money of Rs. 5 Crores as a consequence on the Section 7 proceedings and whether thereafter the application under Section 7 could at all be directed to be admitted.

8. At this stage, we are not venturing upon the merits of the matter and we are not embarking to record our finding upon the ratio laid down by the judgment of *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, for the reason being that the said judgment has later on been reconsidered by the Hon'ble Apex Court, and it

has been held, that it is not a judgment in rem, and that it was under that exceptional circumstances of that case, where the said ratio was propounded.

9. During the proceedings of the company appeal as against the impugned order, an interim order was passed on 27.01.2026, keeping the effect and operation of the impugned order on abeyance. Further, when the matter came for consideration on 21.09.2026, this Tribunal, recorded the statement made by the counsel for the appellant on record, that the appellant has already paid a partial payment, but owing to the fact that certain documents, which the purchaser had been seeking, have not been made available, the balance amount couldn't be paid and that the said process is already under way, to complete the payment of entire amount as per the settlement agreement.

10. Further, on 08.10.2026, the learned counsel for the appellant made a statement that she has fully complied with the terms of the settlement and intends to place a memo to that effect. Accordingly, she has filed the memorandum on 08.10.2026 that stating that based upon the Letter of Intent dated 18.12.2025, issued by the Respondent which was in the shape of acceptance of the proposal of one-time settlement of dues, the Appellant has paid the entire amount of Rs. 50 Crore by 07.10.2026 which has been duly endorsed by the borrower as well as the Respondent Financial Creditor and which has been placed on record too. In that eventuality, as the parties are on a consensus based upon the terms referred to in the memorandum of settlement placed on record before us on 07.10.2026,

we feel that no fruitful purpose would be served to venture into the appeal on its merit particularly when the parties have settled the dispute and no controversy pertaining to the remittance of the defaulted amount is left pending to be considered by us on merits. Hence, the company appeal would stand decided in terms of the settlement as produced by the learned counsel for the appellant.

11. The company appeal is listed today for orders. A joint statement has been made by the learned counsel for the parties, that after passing of the orders by this Tribunal on 21.09.2026 to complete the payment, the full payment under the settlement agreement/letter of intent, has already been settled between the parties, and owing to the settlement that has been arrived at between the parties, in case the CIRP, which was directed to be initiated by virtue of the impugned order of 08.01.2026 is dropped, they may not have any grievances as such.

12. Considering the candid statement made by the learned counsel for the parties, and more particularly, the respondent as regards the fact that in pursuance to the settlement, that could be reflected in the pleadings before this Tribunal, that they have already received the full amount as settled between the parties, it is held that, there is no default as on date which led to commencement of the CIRP and therefore this company appeal deserves to be closed, while quashing the impugned order of 08.01.2026, in terms of the settlement, that has been arrived at between the parties, and owing to it, we are not required to venture into the merits of the matter. Hence, the company appeal would stand closed in terms of

the onetime settlement that has been entered into between the parties on 18.12.2025. All interlocutory applications would stand disposed of.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

20/11/2026
SN/SA/MS