NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1217 of 2026

IN THE MATTER OF:

Naresh Chand, Suspended Director of Ashiana Ispat Pvt Ltd. ...**Appellant(s)**

Versus

Mani Mahesh Ispat Pvt. Ltd. & Ors. ...**Respondent(s)**

Present:

For Appellant	:	Mr. Krishnendu Datta, Sr. Advocate with Mr. Ankur Sudan, Mr. Hemant Kolhari, Mr. Aryan Pathak, Ms. Parneet Kaur, Mr. Yash Tandon, Ms. Vidhi Jain & Mr. Sachin Kaushik, Advocates.
For Respondents	:	Mr. Gaurav Mitra, Sr. Advocate with Mr. Ashish Sharma, Mr. Ankit Jain, Mr. Anurag Bhatt, Mr. Vaibhav Vijayvargiya, Mr. Yash Shahi & Ms. Arushi, Advocates. Mr. Prashant Agarwal, for IRP.

O R D E R
(Hybrid Mode)

22.07.2026: Heard Shri Krishnendu Datta, Ld. Sr. Counsel appearing for the Appellant as well as Shri Gaurav Mitra, Ld. Sr. Counsel appearing for the Respondent No.1. The IRP Mr. Prashant Agarwal is also present through Video Conferencing.

2. The instant appeal has been filed by the Appellant who is a Suspended Director of the CD i.e. Ashiana Ispat Pvt. Ltd. against the impugned judgment dated 03.07.2026 passed by the NCLT, Jaipur Bench in CP IB No. 25/9/JPR/2025 whereby the application filed by the Respondent No. 1 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) has been admitted.

3. Ld. Sr. Counsel appearing for the Appellant submits that the Respondent No. 1 use to supply iron ingots and billets to the CD and a dispute had arisen between them pertaining to certain outstanding dues and in order to amicably resolve the same the Director of the Corporate Debtor Shri Puneet Jain and his Wife Mrs. Swati Jain entered into a settlement agreement dated 14.02.2024, with the Respondent No.1, whereby it was agreed that the outstanding dues would stand adjusted towards the sale consideration of an immovable property owned by Mrs. Swati Jain which is stipulated to be sold to OC for a total sale consideration of Rs. 8 Crore.

4. It is further submitted that an agreement to sell was also executed between Mrs. Swati Jain and Mr. Navintya Prakash Goyal on 14.02.2024 wherein it is acknowledged that a sum of Rs. 7.80 Crore has already been received as advance of the sale consideration from the Respondent No. 1, thereafter the Operational Creditor also obtained 3 cheques from the CD dated 21.10.2024, 22.10.2024 and 23.10.2024 aggregating to Rs. 5.73 Crores, however, on presentation, the aforesaid cheques were returned unpaid.

5. It is further submitted that the Ld. Adjudicating Authority has not considered the matter in right perspective as the Insolvency Proceedings have been initiated with regard to the debt which already stood adjusted as a part of the sale consideration under the Settlement Agreement and Agreement to Sell dated 14.02.2024 and the Director of the OC had instituted a Civil Suit being OS No. 320/2025 before the Hon'ble Delhi High Court seeking specific performance of the Contract and thus they admitted in categorical terms the adjustment of the debt in the sale consideration of the property and therefore

the nature of the debt has significantly changed and by any stretch of imagination cannot be treated as an operational debt.

6. It is further submitted that conflicting stand has been taken by the OC in Prosecuting the Suit for specific performance before Hon'ble Delhi High Court and Before the Ld. Adjudicating Authority in the petition filed under Section 9 of the Code and moreover the proceedings under Section 138 of the Negotiable Instruments Act, 1881 has also been initiated for the same debt.

7. It is further submitted that the Ld. Adjudicating Authority has also not considered the fact that the OC has suppressed the execution of the settlement agreement and the pendency of the Civil Suit and also the agreement to sell before the Ld. Adjudicating Authority and it was evident on the face of the record that pre-existing dispute has existed between the parties much prior to the issuance of demand notice and on this score alone the petition filed by the OC should have been dismissed.

8. It is further submitted that the OC in pursuance of the agreement to sell has also moved an application to the ROC not to register the property in any others name and did not disclose this letter/application before the Ld. Adjudicating Authority.

9. It is further submitted that the CD is a prosperous Company and the petition was filed before the Ld. Adjudicating Authority as a recovery mechanism and therefore the operation of the impugned order be stayed till the disposal of the instant appeal.

10. Ld. Sr. Counsel for the appellant has relied on following judgments:

(i)Mobilox Innovations Pvt. Ltd. vs. Kirusa Software Pvt. Ltd., AIR 2017 SC 4532.

(ii)Talbot and Company vs. Austin Distributors Pvt. Ltd., CA (AT) (Ins) No. 1470 of 2022.

(iii)GLS Films Industries Pvt. Ltd. vs. Chemical Suppliers India Pvt. Ltd., 2026 SCC Online SC 551.

(iv) Trafigura India Pvt. Ltd. vs. TDT Copper Ltd., CA (AT) (Ins) No. 742 of 2020.

(v) Permali Wallace Pvt. Ltd. vs. Narbada Forest Industries Pvt. Ltd., CA (AT) (Ins) No. 36 of 2023.

(vi) Somaiya Organics (India) Ltd. vs. Board of Revenue, UP (1986) 1 SCC 351.

(vii) Marwadi Sumermal Jamatraj vs. Thukkappa, AIR 1944 Mad 391.

(viii) Anjani Technoplast Ltd. vs. Shubh Gautam, Civil Appeal No. 8247 of 2022.

(ix) Greymatter Entertainment P. Ltd. vs. Pro Sportify P. Ltd. (2024) 249 Comp Cas 771.

(x)Muruganandam vs. Muniyandi (Died) Through Lrs., Civil Appeal No (s) 6543 of 2025.

(xi)Rishi Raj and Ors. vs. Rakesh Yadav and Ors. 2018 SCC Online Del 9425.

(xii) Ramjas Foundation vs. Union of India, (2010) 14 SCC 38.

(xiii) M/s DJ Laboratories Pvt. Ltd. vs. Kerala Medical Services Corporation Pvt. Ltd., CA (AT) (CH) (Ins) No. 228 of 2022.

11. Shri Gaurav Mitra, Ld. Sr. Counsel appearing for the OC vehemently opposes the submissions made by Ld. Sr. Counsel for the appellant and has drawn out attention towards the reply filed by Mr. Puneet Jain in the Suit filed by of the Director of the CD in Hon'ble Delhi High Court wherein it is stated that Puneet Jain is not a signatory to the agreement to sell and no

effective degree could be passed against him and the specific performance could only be enforced against Swati Jain who is the owner of the Property.

12. It is further submitted that Puneet Jain in the reply filed by him has stated that the Respondent No. 1 has already invoked parallel remedies before the NCLT by filing petition i.e. CP IB No. 25/9/2025.

13. Highlighting above it is vehemently submitted that before the Hon'ble Delhi High Court the pendency of the instant proceedings are being taken as a defense while before this Appellate Tribunal the Civil Suit Pending before the Hon'ble Delhi High Court is being taken as a defense.

14. It is submitted that there is no dispute with regard to the existing of debt and it is evident that the same has not been paid yet and the execution of the settlement agreement and agreement to sell of date 14.02.2024, was nothing but the security for discharge of the debt by the appellant and when the debt was not paid/discharged the CD admittedly issued 3 Cheques which were subsequently dishonored.

15. It is further highlighted that it was on 10.01.2025, the demand notice was issued by the Respondent to the CD and the Civil Suit was filed before the Hon'ble Delhi High Court on 14.05.2025 and therefore there was no prior dispute pertaining to the debt and the admitted position as on today is that neither the debt has been adjusted nor were paid to the OC.

16. Ld. Sr. Counsel for the Respondent has relied on following judgments:

(i)Ahluwalia Contracts (India) Ltd. vs. Logix Infratech Pvt. Ltd., 2022 SCC Online NCLAT 3797.

(ii) Ahluwalia Contracts (India) Ltd. vs. Raheja Developers Ltd. 2019 SCC Online NCLAT 942.

(iii) Yusuf Malubhaiwala vs. Mr. Anuj Maheshwari & Ors., CA (AT) (Ins) No. 916 of 2025 (NCLAT).

(iv) State Bank of India vs. V. Ramakrishnan & Anr., (2018) 17 SCC 394.

17. Having heard Ld. Counsel for the parties in depth and having perused the record, it is reflected that prima facie there is no dispute with regard to the existence of debt, however it is claimed by the appellant/CD that the debt was adjusted by executing the settlement agreement dated 14.02.2024 and the agreement to sell of the same date.

18. It is also reflected that in the settlement agreement there is a stipulation that the CD is expected to receive funds till 30.04.2024 and after receiving the said fund the CD would clear the dues of the OC and thereafter the agreement to sell shall be treated as cancelled and in case of non-clearance of the outstanding dues the agreement to sell would remain alive until execution of the sale deed. It is also stipulated therein that the OC has legal right to register the said property in his name through Court of Law by specific performance of contract.

19. It is evident that neither the possession of the property has been given by the appellant to the OC nor the debt has been paid and the only claim made by Appellant is of the adjustment of the debt by executing deed of agreement dated 14.02.2024 and agreement to sell and change in nature of the debt.

20. Keeping in view all the facts and circumstances of the case, in our considered opinion, at this stage, no prima facie case is emerging for grant of any interim order in favour of the appellant. The matter requires in depth consideration.

21. The Respondent No. 1 is already represented before us, we provide two weeks' time to it to file reply with advance copy to the appellant who in turn if so wish may file the rejoinder within one week thereafter.

22. The IRP who is also present before us through VC may also file the reply within two weeks with advance copy to the appellant who in turn if so wish may file the rejoinder within one week thereafter.

23. List accordingly on **17.08.2026** in the first ten cases of the cause list.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

[Naresh Salecha]
Member (Technical)

sr