

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

ITEM No. 4
(IB)-250(PB)/ 2026

IN THE MATTER OF:

CFM Asset Reconstruction Private Limited
Vs
Saga Developers Private Limited

.... Petitioner

.... Respondent

Order under Section 7 of Insolvency & Bankruptcy Code, 2016

Order delivered on 19.05.2026

CORAM:

JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT

SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

HYBRID HEARING (PHYSICAL & VC)

PRESENT:

For the Petitioner : Mr. P. Nagesh, Sr. Adv., Mr. Arijit Mazumdar,
Ms. Anoushka Dey, Mr. Akshay Sharma,
Advs.
For the Respondent :

ORDER

1. This is a petition filed under Section 7 of the Insolvency & Bankruptcy Code 2016.
2. Ld. Sr. Counsel Mr. P. Nagesh for the Petitioner/Financial Creditor submits an amount of Rs. 504,80,42,659.92 (Rupees Five Hundred Four Crore Eighty Lakh Forty-Two Thousand Six Hundred Fifty-Nine and Ninety-Two Paise Only) is due to the Petitioner No. 1, who is an assignee of the term loan as referred to in the Original Facility Agreement, which is annexed as Annexure-21. He has relied on the

Judgement passed by the Hon'ble Supreme Court in the case of "**ICICI Bank Limited Vs. Era Infrastructure (India) Limited**" reported in 2026 SCC OnLine SC 314.

3. He further submits that advance notice prior to the filing of this petition in terms of Rule 4 of Insolvency & Bankruptcy (Adjudicating Authority) Rules, 2016 has already been served upon the Corporate Debtor.
4. Information of default has also been filed with NeSL in Form C, which is annexed as Annexure 20 at page no. 435-439 of the Petition.
5. Reference may be made to the judgement passed by the Hon'ble Supreme Court in the case of **Swiss Ribbons Pvt. Ltd.& Anr.Vs Union of India& Ors.**, reported in (2019) 4 SCC 17, Paragraph 58 reads as follows:

"...A conjoint reading of all these Rules makes it clear that at the stage of the Adjudicating Authority's satisfaction under Section 7(5) of the Code, the corporate debtor is served with a copy of the application filed with the Adjudicating Authority and has the opportunity to file a reply before the said authority and be heard by the said authority before an order is made admitting the said application."

6. We may also refer to the judgement passed by the Hon'ble Supreme Court in the case of **M/s Surendra Trading Company Vs. M/s Juggilala Kamlapat Jutemills Company and Ors.** reported in 2017 (16) SCC 143, Paragraph 24 reads as follows:

“Further, we are of the view that the judgments cited by the NCLAT and the principle contained therein applied while deciding that period of fourteen days within which the adjudicating authority has to pass the order is not mandatory but directory in nature would equally apply while interpreting proviso to sub-section (5) of Section 7, Section 9 or sub-section (4) of Section 10 as well. After all, the applicant does not gain anything by not removing the objections inasmuch as till the objections are removed, such an application would not be entertained. Therefore, it is in the interest of the applicant to remove the defects as early as possible.”

7. Reference may also be drawn to the Judgment passed by the Hon'ble Supreme Court in the matter of **Innovative Industries Vs ICICI Bank reported in 2018 (1) SCC 407**, Paragraph 64 reads as follows:

“The different decisions of the Hon'ble Supreme Court, as referred to above and exception of principles of natural justice as noticed and summarised in the preceding paragraphs is not applicable to the insolvency resolution process as it is not a case of emergency declared or

prejudicial to public interest or that there is a statutory exclusion of rules of natural justice or it is impracticable to hold hearing. It is not the case that no right of any person has been affected, as immediately on appointment of an Interim Resolution Professional, the Board of directors stand superseded. There are other persons who are also affected due to order of moratorium. Therefore, the ‘adjudicating authority’ is duty bound to give a notice to the corporate debtor before admission of a petition under Section 7 or Section 9.”

- 8.** Therefore, the Petitioner is directed to serve notice on the Respondent/Corporate Debtor; indicating that the reply should be filed within a stipulated time of 7 days and no further time would be granted for filing the reply.

- 9.** Notice be issued by the Petitioner/Financial Creditor under NCLT Rules, Form-5.
 - i.** By way of an email to the registered email of the Corporate Debtor available with the petitioner.
 - ii.** By way of an email to the CD email address registered with the MCA.
 - iii.** Service by way of Dasti within three days from today.
 - iv.** Proof of Service in any one of the above forms filed by way of an affidavit before the next date of hearing.

- 10.** On receipt of the notice, the Corporate Debtor is directed to file the reply within 7 days. On the next date of hearing the Corporate Debtor should appear either himself or through Counsel / Authorised Representative with proper Vakalatnama / letter of authorisation along with the reply, failing which it will be deemed that the Corporate Debtor does not wish to file the reply to the Section 7 Petition and the matter will be heard and decided on merits.
- 11.** List the matter for further consideration **on 07.07.2026.**

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Vinod Arora