

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL**  
**PRINCIPAL BENCH, NEW DELHI**

**Comp. App. (AT) (Ins) No. 1465 of 2026**

**IN THE MATTER OF:**

**Prajit Prasannan**

**...Appellant(s)**

**Versus**

**Bhagwati Trading Co. Through Its  
Proprietor & Anr.  
Present:**

**...Respondent(s)**

**For Appellant** : Ms. Monica Goel, Mr. Rajat Chaudhary, Ms. Anjali Maurya, Advocates.  
**For Respondents** : Mr. Gurmehar Singh Sistani, Mr. Samit Khosla, Advocates for R-1.

**O R D E R**  
**(Hybrid Mode)**

**12.08.2026:** Heard Ld. Counsel for the Appellant, Ld. Counsel for the Respondent No. 1 and perused the record.

Mr. Gopal Garg, IRP i.e. Respondent No. 2 is also present through VC.

Ld. Counsel for the Appellant has drawn the attention of this Appellate Tribunal towards the order of the Ld. Adjudicating Authority of date 25.05.2026 in order to canvass that by this order the Ld. Adjudicating Authority has suggested the parties to sit together and to arrive at any amicable settlement and report the same, if arrived, on 07.07.2026.

It is further submitted that on 07.07.2026 it was brought to the notice of the Ld. Adjudicating Authority that parties are exploring the possibilities of settlement and in this regard the (Respondent/Appellant in this appeal) had sent a proposal which was being explored by the Operational Creditor and on

this score some more time was requested to be granted and the matter was adjourned to 29.07.2026 for the purpose of reporting about the settlement.

It is further submitted that on 29.07.2026, when the matter was called out the parties were not agreeing to certain terms and conditions of the settlement and it was requested that the matter may be taken after some time however the matter was reserved for judgment.

Attention of us is also drawn towards the copy of the memorandum of understanding arrived at between the parties which has been placed at Annexure A-3 and it is highlighted that this settlement between the parties was arrived on the same day i.e. 29.07.2026 on which the Ld. Adjudicating Authority has reserved the judgment.

It is vehemently submitted that since the matter was settled on the day when the arguments are stated to have been heard and order is shown to have been reserved the impugned order should have not been passed.

Ld. Counsel for the Respondent No. 1 is in agreement with the submissions made by Ld. Counsel for the Appellant and submits that the parties have amicably settled the dispute on the day when the matter was reserved for pronouncement of judgment by the Ld. Adjudicating Authority. We are also of the view that in the background of the facts that the matter had been settled between the parties the impugned order should not be passed.

Having heard Ld. Counsel for the parties and having perused the record, prima facie it reflects that the parties had settled the dispute on the

day when the judgment was reserved by the Ld. Adjudicating Authority however by passing the impugned judgment the CD has been subjected to the rigors of insolvency process.

Keeping in view all the facts and circumstances of this case we are of the considered view that for the time being the process of insolvency initiated by the impugned order may be stayed. Notice of the appeal has been received by Ld. Counsel for the Respondent No. 1 and 2 and if they so wish may file their reply/short reply within ten days from today with an advance copy to the Ld. Counsel for the Appellant who in turn if so wish may file rejoinder within next three days thereafter.

List accordingly on **03.09.2026** under the same caption.

It is provided that till the next date of listing the impugned order dated 05.08.2026 shall remain stayed.

**[Justice Mohammad Faiz Alam Khan]**  
**Member (Judicial)**

**[Naresh Salecha]**  
**Member (Technical)**

*sr/mr*