(2026) 06 NCLAT CK 0756

In the National Company Law Appellate Tribunal, Pricipal Bench, New Delhi, CHENNAI Bench

Case No : Company Appeal (AT) (CH) (Ins) No. 383/2024

Bank Of Baroda — APPELLANT

Vs

M/S. Virginia Developers Private Limited — RESPONDENT

Date of Decision : 30-06-2026

Acts Referred:

I & B Code — Section 7
Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 — Rule 4

Citation : (2026) 06 NCLAT CK 0756

Hon'ble Judges : Justice Sharad Kumar Sharma, Member (Judicial);Jatindranath Swain, Member (Technical)

Bench : Division Bench

Advocate : For Appellant : Mr. R. Imayavaramban, Advocate; For Respondent : No Appearance

Final Decision : Disposed Of

Judgement

(Hybrid Mode)

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

The Appellant happens to be the Financial Creditor, who initiated the proceedings under Section 7 of the I & B Code, to be read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The proceedings as drawn by the Appellant stood dismissed by the Ld.

Adjudicating Authority vide its order dated 16.07.2024, which is impugned in the instant company appeal.

2. By virtue of an order passed by this Appellate Tribunal on 24.10.2024, we had issued notices to the Respondents, and thereafter order sheet reflects that none has appeared for the Respondent so far. Be that as it may.

3. When the proceeding was taken upon 09.03.2026, we took note of the fact

that the Respondent had appeared only once on 06.12.2024 and thereafter they have not participated in the proceedings. However, the Appellant had submitted that certain settlement process was in progress, and had given the undertaking that, he will be filing a memorandum of settlement before 31.03.2026. Accordingly, we deferred the matter to be heard on 02.04.2026.

4. When the proceeding was taken up on the adjourned date, i.e., 02.04.2026, the Appellant submitted that, the settlement has already been entered into and part of the settlement has already been complied, with, an extension of time has been given for making the full payment under the terms of the settlement, that part of the amount has been received, and the balance payment is to be made by 15.06.2026. Hence, the matter was deferred to be heard on 22.06.2026.

5. The proceedings of the company appeal were considered on 22.06.2026. The Ld. Counsel for the Appellant made the following statement: -

"*that a settlement has been entered into between the parties on 17.04.2026 and that under the said settlement, the amount due to be paid under the terms of the settlement has been directed to be paid by 30.09.2026 by way of a last extension granted, which includes the principal along with the amount, as well as the interest payable on it.*"

6. In the proceedings of this Appellate Tribunal, held on 22.06.2026, the Appellant was directed to place the settlement on record. And the matter was directed to be fixed for hearing on 30.06.2026. Today, when the proceedings were taken up, the Ld. Counsel for the Appellant, in compliance of the order passed by this Appellate Tribunal on 22.06.2026, filed a memo along with the terms and conditions of the acceptance of the OTS proposal and has submitted that, the One-Time Settlement in favour of the Respondent, stood sanctioned by the bank on 17.04.2026 and the same was communicated to the Respondent vide letter dated 29.04.2025 and that the Respondents have been granted further extensions vide various communications as it has been referred to in the memorandum.

7. The Appellant further submitted that, the competent authority of the Appellant has further extended the validity of the settlement upto 30.09.2026, while directing payment of the balance amount, together along with the applicable interest in terms of modified sanction. The said direction given for depositing the amount is reflected from the payment terms as it finds place in the communication of the bank bearing Reference No. BCC: RECY: 118: 894 dated 11.05.2026, which is extracted below:

"Payment Terms

• *Remaining OTS amount of ☐ 38.54 Crore (along with overdue interest for entire overdue period) to be paid on or before 30.09.2026*

• *Further, Interest @1 Year MCLR plus 2.00% monthly compounded to be recovered after 90 days of the date of original sanction, on balance compromise* *amount till full payment*

• *The validity of Compromise shall be valid up to 30.09.2026.*

• *All other Terms & Conditions of Original sanction shall remain unchanged and to be continued."*

8. Accordingly, the Ld. Counsel for the Appellant submitted that, as the parties have agreed that the remaining OTS amount of Rs. 38.54 crores, would be cleared along with the interest to be paid on it, on or before 30.09.2026, this Company appeal may be closed in terms of the settlement that, has been entered into between the parties which has been placed as Annexure - I to the memorandum being the Settlement Term No. BCC: RECY: 117 dated 24.04.2025.

9. Owing to the fact that the parties have settled their dispute and they have further agreed to pay the balance amount under the terms of settlement by 30.09.2026, the instant company appeal would stand closed, in terms of the settlement that has been placed on record, i.e., No. BOB/ZOSARB/BLR/735/2025-26, dated 07.04.2026, with the caveat that, the closure of this Company appeal, based upon the settlement, would be subject to the condition that, in case the Respondent derelicts in complying with the conditions set forth in the letter dated 11.05.2026, which has been extracted above, in making payments as per the extension granted by the Appellant Bank, it will be open for the Appellant to revive back the proceedings of the instant company appeal, which is then to be proceeded to be considered on its own merits.

Subject to the above the company appeal, stands closed.

