



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, Court-I, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(through web-based video conferencing platform)**

**IA No.13/2025 & IA No.191/2025
in
CP (IB) No. 325/Chd/Pb/2023
(Admitted)**

**Under Section 12A of the
Insolvency and Bankruptcy
Code, 2016 read with
Regulation 30A of CIRP
Regulations, 2016**

In the matter of :

Phoenix Arc Private Limited

...Financial Creditor

Vs.

M/s JCT Limited

...Corporate Debtor

And in the matter of I.A. No.13 of 2025:

Hasti Mal Kachhara

Interim Resolution Professional in the matter of
M/s JCT Limited

...Applicant

And in the matter of I.A. No.191 of 2025:

Hasti Mal Kachhara

Interim Resolution Professional in the matter of
M/s JCT Limited

...Applicant

Order delivered on: 10.06.2025

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE SH. SHISHIR AGARWAL, MEMBER (TECHNICAL)**

**Present:**

For the RP:	Mr. Hasti Mal Kachchara, RP present via video-conferencing
For the Applicant/IRP in IA No.13/2025 and IA No.191/2025:	Mr. Rakshit Gupta, Advocate
For PNB & SBI:	Mr. Pulkit Goyal, Advocate
For the Suspended Board of Directors:	Mr. Anand Chhibar, Senior Advocate Ms. Swati Vashisth, PCA Mr. Vaibhav Sahni, Advocate
For Financial Creditor:	Mr. Manish Jain, Advocate Mr. Siddhant Jain, Advocate Mr. Manan Jain, Advocate
For the Indian Bank:	Mr. Ashish Chaudhary, Advocate
For the BOB/Intervener:	Mr. Rahul Garg, Advocate

PER: SH. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)**SH. SHISHIR AGARWAL, MEMBER (TECHNICAL)****ORDER**

I.A. 13 of 2025 and I.A. 191 of 2025, being inter-connected, are taken up together for discussion and adjudication.

I.A. No. 13 of 2025

This application is filed by Mr. Hasti Mal Kachhara, (hereinafter referred to as the **“Applicant”** or **“IRP”**), on behalf of Phoenix ARC Private Limited & Phoenix ARC Private Limited Trustee of Phoenix Trust FY 19-5 Scheme G (hereinafter referred to as the **“Financial Creditors”** or **“Phoenix Arc”**). The Application is filed under Section 12A of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred to as the **“Code”** or **“IBC”**) read with Regulation 30A of CIRP Regulations, 2016 with the following prayers:



- a. Approval of withdrawal of Company Petition bearing CP (IB) No.325/Chd/Pb/2023 admitted on 25.10.2024;*
- b. The Applicant may be discharged from his duties; and*
- c. The Suspended Board of Directors may be restored.*

2. It is averred in the Application that:

- i. Phoenix Arc filed a petition under Section 7 of IBC against M/s JCT Ltd. (hereinafter referred to as the **“Corporate Debtor”**), leading to the admission of CIRP on 25.10.2024.
- ii. Before the admission of the Corporate Debtor into CIRP, Corporate Debtor's suspended director proposed an OTS dated 08.10.2024 for a total settlement amount of Rs. 108.00 Crores, which was later amended on 10.10.2024. A copy of the said OTS is attached as **Annexure A-2 Colly** of the application.
- iii. Phoenix Arc agreed in principle to the OTS on 15.10.2024, contingent on an upfront payment of Rs. 10.80 Crores. This amount was deposited by the Corporate Debtor on 25.10.2024, the same day the admission order was passed. Until 25.10.2024, Phoenix Arc did not issue the final OTS letter to the suspended directors of the Corporate Debtor.
- iv. Following the CIRP admission, the Corporate Debtor's suspended director appealed to the National Company Law Appellate Tribunal (**NCLAT**) vide Appeal bearing **Company Appeal (AT)(insolvency) No.2017 of 2024**. On 29.10.2024, the NCLAT noted the OTS proposal and payment, directing



that no further steps be taken in the CIRP, and as a result, no Committee of Creditors (CoC) was formed.

- v. Phoenix Arc issued a final common OTS letter dated 04.11.2024, detailing the payment schedule:
- a. Rs. 10.80 Crores (10%) already received on 25.10.2024.
 - b. Rs. 80.20 Crores (76%) due by 02.01.2025.
 - c. Rs. 17.00 Crores (14%) due by 01.02.2025

A copy of the OTS letter dated 04.11.2024 is attached as **Annexure A-5** of the application.

- vi. On 06.12.2024, the NCLAT disposed of the appeal, instructing Phoenix Arc to file an application for withdrawal of CIRP against the Corporate Debtor under Section 12A of the IBC before this Adjudicating Authority.
- vii. In the Form FA filed with this application, Phoenix Arc has prayed that if the OTS is not fully paid, the settlement shall be treated as revoked/terminated, and the amount already paid will be treated as part payment towards repayment of the total outstanding dues and Phoenix Arc can restart recovery actions and reinstate the CIRP by reviving the CIRP admission order dated 25.10.2024. Upon full payment, all debt obligations of the Corporate Debtor/Guarantors will be satisfied.
- viii. The Corporate Debtor is also required to provide a Bank Guarantee to cover the estimated CIRP costs payable to the IRP.



3. The Indian Bank (Intervenor Bank) filed its objections vide Diary No. 03958/1 dated 10.02.2025, stating that:

- i. The IRP's application for withdrawal of CIRP proceedings is misleading because it lacks the consent of other financial creditors, including Indian Bank.
- ii. Indian Bank had also filed a Section 7 petition against the Corporate Debtor (CP No. 280 of 2023), which was listed on 25.10.2024 and was disposed of with liberty to file a claim before the IRP appointed in Phoenix ARC's CIRP proceedings. Subsequently, Indian Bank filed a claim for Rs.78,80,27,735/- (including interest and charges) on 11.11.2024, which was acknowledged by the IRP.
- iii. The Corporate Debtor appealed to NCLAT, and Indian Bank intervened. NCLAT disposed of the appeal on 06.12.2024, granting Phoenix ARC liberty to file a Section 12A application and allowing interveners to file objections to it.
- iv. During NCLAT proceedings, the IRP did not disclose that Form A inviting claims had been published and that claims from various financial/operational creditors had been received.
- v. Indian Bank informed the IRP on 19.12.2024, that there was no OTS proposal from the Corporate Debtor regarding credit facilities extended by Indian Bank. An earlier OTS offer dated 30.09.2024, was declined in a Joint Lenders Meeting (JLM) on 07.10.2024. The Corporate Debtor has



not submitted any new OTS proposal to Indian Bank after the JLM or the NCLAT order.

- vi. It is argued that merely because Phoenix ARC sanctioned an OTS, other financial creditors like Indian Bank should not be deprived of their IBC rights by withdrawing CIRP proceedings. The CIRP proceedings initiated in Phoenix ARC's matter should also be construed as initiated in Indian Bank's petition (CP No. 280 of 2023) since Indian Bank's petition was disposed of in view of the order in Phoenix ARC's case.
- vii. It is requested that the application filed by the IRP under Section 12A application, shall be dismissed or in alternatively, the Indian Bank's company petition (CP No. 280 of 2023) may be revived if the Section 12A application is considered.

4. Objections were filed by Bank of Baroda, (**BoB**) another intervenor bank, vide Diary No. 03958/3 dated 01.04.2025, wherein it is stated that:

- i. BoB submitted its claim after the CIRP was admitted on 25.10.2024. Its claims are still pending because no Committee of Creditors (CoC) has been constituted.
- ii. In view of the judgment of the Hon'ble Supreme Court in the case of **GLAS Trust Company LLC Versus BYJU Raveendran & Ors., Civil Appeal No.9986 of 2024**, the Bank has the right as a financial creditor to be heard before any Section 12A application for withdrawal is entertained, especially since the application was admitted before the CoC was formed.



- iii. BoB, along with other banks (Indian Bank, State Bank of India, Punjab National Bank, and Punjab and Sind Bank), provided various term loan and working capital facilities to the Corporate Debtor.
 - iv. The CIRP proceedings initiated against the corporate debtor should not be withdrawn if no OTS has been sanctioned by the other consortium banks.
5. An affidavit vide Diary No.03958/2 dated 25.02.2025 was filed by the Corporate Debtor, to exclude the time period between the OTS execution date (04.11.2024) and the date the Section 12A application is decided, from the OTS schedule. It is further submitted that:
- i. The OTS terms were formalized on 04.11.2024, confirming Phoenix ARC's approval for the sale of the Hoshiarpur property for Rs.108 crores to settle outstanding debt. The OTS also stipulated that settlement terms would be filed in all pending litigation within 30 days to record the settlement and seek disposal of proceedings.
 - ii. The Corporate Debtor requested the Financial Creditor to withdraw the CIRP process through an application by the IRP, as payment was contingent on asset sales.
 - iii. Due to the moratorium under Section 14 of IBC, the Corporate Debtor cannot sell its assets, preventing the payment under the OTS. The Corporate Debtor is committed to pay Rs.108 crores through asset sales and thus, the Section 12A application may be allowed.

**I.A. 191 of 2025**

6. This application has been filed by the Applicant/IRP under Section 60(5) of IBC read with Rule 11 of the NCLT Rules, 2016 for withdrawal of I.A. 13 of 2025 filed under Section 12A of IBC read with Regulation 30A of CIRP Regulations, 2016 and to continue with the CIRP proceedings as the Corporate Debtor has failed to honour the terms of the OTS sanctioned on 04.11.2024 and and subsequently, the said OTS stands revoked on 22.01.2025 by Phoenix Arc.
7. A Short Note was filed by the Applicant vide Diary No.03748/3 dated 30.05.2025, wherein reliance is placed upon the judgment of the Hon'ble Supreme Court in the case of ***State Bank of India vs. Arvindra Electronics (2023) 1 SCC 540*** and ***Bijnor Urban Cooperative Bank Ltd., Bijnor & Ors. vs. Meenal Aggarwal & Ors. (2023) 2 SCC 805***, wherein it has been settled that no borrower can pray for grant of OTS as a matter of right and has also stated that Courts should refrain from extending or adjudicating upon the terms and conditions of the OTS.

ANALYSIS AND FINDINGS:

8. We have heard the Learned Counsels for Phoenix Arc, the Corporate Debtor, Intervenor Banks and the RP and perused the averments made in the applications and objections.
9. The Corporate Debtor claims they couldn't pay Phoenix Arc the amount outlined in their OTS proposal because the Section 14 moratorium under the IBC halted their ability to sell the assets. They claim to have had several interested buyers lined up, who were ready to make immediate payments, but the moratorium prevented the



sale. And hence, the time period from the date of the execution of the OTS (04.11.2024) and the date on which the Section 12A application is filed (31.12.2024), may be excluded for making payment towards the OTS with Phoenix Arc.

10. However, as argued by the Ld. Counsel for Phoenix Arc, the OTS proposal clearly indicates that asset sales were contingent on first receiving a No Objection Certificate (**NOC**) from Phoenix Arc, which would be issued only after an upfront payment was made. The relevant clause reads:

Particulars	Details								
Company Name	JCT Limited								
Cut-off Date	September 30,2024								
Proposal Amount	Rs 108 Cr								
Repayment Tenor	Within 3 months from the date of receipt of NOCs from Phoenix								
Upfront Amount	10% of proposal amount (to be deposited in a no-lien account)								
Repayment Schedule	<table><tr><td>Month</td><td>Amount</td></tr><tr><td>M1</td><td>Rs 10.8 Cr</td></tr><tr><td>M2</td><td>Rs 80.2 Cr</td></tr><tr><td>M3</td><td>Rs 17 Cr</td></tr></table> <p><i>*The timelines indicated above are basis the inflows the Company expects to receive from the prospective buyers of identified assets.</i></p>	Month	Amount	M1	Rs 10.8 Cr	M2	Rs 80.2 Cr	M3	Rs 17 Cr
Month	Amount								
M1	Rs 10.8 Cr								
M2	Rs 80.2 Cr								
M3	Rs 17 Cr								
Other Clause	<ul style="list-style-type: none">• Company to prepay the loan in case of expedited payments received from prospective buyers• Penal interest, future interest and any other charges till final settlement date to be waived off by the lender• Phoenix to provide NOCs for sale of Hoshiarpur assets and Phagwara assets upon receipt of the upfront amount								

Mechanism for Payment to Phoenix

- The Company proposes to sell off its Hoshiarpur assets in entirety. Out of the said proceeds, the Company proposes to settle and pay Phoenix on priority basis.



11. Phoenix Arc granted its NOC to the Corporate Debtor in its OTS letter dated 04.11.2024 as shown below:

6. That the Borrower acting for itself and on behalf of other guarantors / mortgagors has requested Phoenix to consider accepting OTS Amount of **Rs.108,00,00,000/- (Rupees One Hundred Eight Crores Only)** (OTS Amount) towards full and final settlement of Outstanding Debt Dues and in respect thereto;

(a) Phoenix conveys it's approval to your above-said offer payable on or before 01-02-2025 and hereby grant its No Objection for the sale of the property situated at Hoshiarpur as per terms mentioned in the offer letter. The said NOC granted herein only conveys, Phoenix consent to the sale of the Hoshiarpur property in favour of the purchases listed in **Schedule – B** below, provided the sale consideration of the same to the extent of **Rs Rs.108,00,00,000/- (Rupees One Hundred Eight Crores Only)** is remitted to Phoenix as detailed below on or before 01-02-2025.

The letter also clearly outlined the events of default and the consequences for the Corporate Debtor if any occurred. The relevant clauses of the letter are reproduced hereunder for a ready reference:

- (e) Failure to pay any installment on the due dates as stipulated in clause herein above will amount to an event of default, whereby the settlement agreed herein will be treated as cancelled without any further reference and the entire Outstanding Debt Dues (less amounts already received) will become due and payable by the Borrowers and/or jointly and severally. Phoenix will thereafter be entitled to recover the Outstanding Debt Dues independently without any
- (h) That the Borrowers, Mortgagors and/or Guarantors jointly and severally agree and confirm that at their request to settle the Outstanding Debt Dues by making payment of the OTS Amount in terms of this letter, Phoenix has agreed to suspend the actions initiated under the SARFAESI Act, 2002, The Recovery Of Debts And Bankruptcy Act, 1993 and Insolvency & Bankruptcy Act, 2016 (IBC, 2016).



- (i) Upon execution of this OTS Letter, the parties agree that settlement terms shall be filed in all pending litigation including the litigations pending before Hon'ble Debts Recovery Tribunal, Delhi, Hon'ble National Company Law Tribunal, Chandigarh, Hon'ble National Company Appellate Law Tribunal, Principal Bench, New Delhi within 30 days from the date of this letter to record the settlement and seek appropriate directions for disposal of the pending proceedings.
 - (j) The Obligors jointly and/or severally confirm that In the event of default, Phoenix shall revive all pending litigations without any prior intimation and that the Borrowers, Mortgagors and/or Guarantors jointly and/or severally agree and confirm that they shall handover peaceful vacant possession of the Security Interests and that Phoenix shall be duly authorized and permitted to continue to pursue the action initiated under the SARFAESI Act, 2002 / IBC, 2016 against the Borrower, Mortgagors/Guarantors/their underlying security asset.
9. That upon occurrence of any Event of Default, Phoenix shall also have a right to withdraw the terms offered in this Letter, and shall be entitled to recover the Outstanding Debt Dues along with further interest as aforesaid, cost and expenses by adopting such recovery measures including but not limited to exercising its rights to enforce the underlying security interest to recover the Entire Outstanding Debt or any other amounts due and payable by you the Obligors jointly and/ or severally as it may deem fit.

The Corporate Debtor itself stated in its OTS proposal dated 10.10.2024 that the assets would be sold once NOC is granted by Phoenix Arc, which was prior in time before the Corporate Debtor was admitted for CIRP. NOC was granted by Phoenix Arc on 04.11.2024 in its final acceptance letter.

It is established by Phoenix Arc that the OTS was revoked on 22.01.2025, following the Corporate Debtor's default, in line with the final acceptance letter dated



04.11.2024. Thus, the Corporate Debtor's contention of its failure to pay Phoenix Arc due to moratorium on its assets and to exclude the time since the issuance of the final OTS and till the filing of the Section 12A application to make payment to Phoenix Arc, does not hold good as the sale of the land at Hoshiarpur was not a pre-condition for payment as per the schedule given in the OTS proposal.

12. More importantly, multiple banks had initiated Section 7 petitions, which were subsequently rendered infructuous upon the Corporate Debtor's admission into CIRP vide order dated 25.10.2024. The said banks were then directed to submit their respective claims to the RP. Indian Bank and State Bank of India intervened in the appeal preferred by the Corporate Debtor before the Hon'ble NCLAT. Pursuant to the NCLAT's order dated 06.12.2024, they were directed to file their objections to the Section 12A application filed with this Adjudicating Authority.

13. A Joint Lenders Meeting (**JLM**) dated 20.05.2025 was attended by the Lenders of the Corporate as shown below:

Name of the official	Bank/Company	Designation	Mode
Mr. Sanjeev Kumar	Indian Bank	Deputy General Manager	Online
Mr. Ratan Anand	Indian Bank	Chief Manager	Online
Smt Sucheta Saini	Indian Bank	Manager Law	Online
Mr. Kamal Kishore Prasad Sinha	State Bank of India	Assistant General Manager	Online
Mr. Ganesh Palwankar	State Bank of India	Chief Manager	Online
Mr. Sanjeev Kumar	State Bank of India	Assistant General Manager	Online
Mr. Vashudeo Rao	State Bank of India	Chief Manager	Online
Mr. Pankaj Prasoon	Punjab & Sindh Bank	Manager	Online
Mr. Kuldeep Singh	Punjab National Bank	Asst. Gen. Manager	Online
Mr. Subhrajit Mishra	Punjab National Bank	Chief Manager	Online
Mr Harsh Magia	Phoenix ARC Pvt Ltd	Associate Vice President	Online
Mr. Rajesh	Bank of Baroda	Chief Manager (DRM)	Online



In the said JLM, it was agreed by all the creditors that no OTS proposal was pending with them for consideration. The relevant part of the minutes of JLM is extracted below:

Phoenix ARC:

Phoenix ARC informed that OTS proposal sanctioned by them has already been cancelled and IRP has file application for withdrawal of 12A application. Phoenix ARC is also in line with Lead Bank and other lender for formation of COC and initiation of CIRP process.

Agenda No. 4: Discussion on Compromise Proposal

Indian Bank informed that they have received an OTS proposal by Mr Sameer Thapar (Guarantor of JCT Ltd.) addressed to WC consortium lenders dated 14.05.2025 received vide mail dated 15.05.2025 for Rs 178.4 crores payable within six months from the settlement date alongwith different other conditions. Copy of proposal was shared to all consortium lenders for their perusal. Aforesaid OTS proposal was deliberated upon by lenders and it was unanimously decided by lenders that the OTS proposal is not acceptable to them as the OTS proposal is not viable in terms of Banks Commercial/Business interest. Phoenix ARC has also informed that the OTS proposal earlier sanctioned by them has also failed as the company has not honored their commitment.

In view of the forgoing discussion, it was noted that presently no OTS proposal is pending with the lenders for consideration.

14. The Hon'ble Supreme Court in ***GLAS Trust Company LLC Versus BYJU Raveendran & Ors. (supra)***, observed:

“ 81. ...once the CIRP was admitted, the proceedings became collective, and all creditors of the Corporate Debtor became stakeholders. As noted in Swiss Ribbons (supra), even while invoking Rule 11 to allow withdrawal, the NCLT must hear all the concerned parties and consider all relevant factors on the facts of each case.”

In the case at hand, the Section 12A application was filed before the constitution of CoC, and hence, the interest of all the Intervenor Banks and the lenders of the



Corporate Debtor must be looked into. It is pertinent to note that apart from the Petition under Section 7 of the IBC, which was withdrawn by Indian Bank after passing of the CIRP admission order dated 25.10.2025, there are multiple petitions pending against the Corporate Debtor. One petition is pending under Section 7 of the IBC bearing CP (IB) No.137/Chd/Pb/2024 titled '*State Bank of India vs J C T Limited*' and others petitions are pending under Section 9, which are as follows: CP (IB) No. 112/Chd/Pb/2024 titled '*Shree Ji Enterprises vs J C T limited*', CP (IB) No.67/Chd/Pb/2024 titled '*S S Trading Co. Vs J C T Limited*', CP (IB) No.68/Chd/Pb/2024 titled '*V K Trading Vs J C T Limited*', CP (IB) No.103/Chd/Pb/2024 titled '*M/s Mahadev Trading Co. VS J C T Limited*', CP (IB) N0.104/Chd/Pb/2024 titled '*M/s Shankar Supplier VS J C T Limited*', and CP (IB) N0.151/Chd/Pb/2024 titled '*Sotitex Chem Vs J C T Limited*'.

15. In these circumstances, no prejudice is being caused to the Corporate Debtor if CIRP is continued and CoC is constituted because even after the constitution of CoC, the Corporate Debtor would have the opportunity to move proposal of OTS, and if approved by the JLM, then an application under Section 12A of IBC could be filed for withdrawal of CIRP.
16. In view of the authority mentioned above and given the Corporate Debtor's failure to uphold the OTS agreement, coupled with their default on payments to other lenders, and the lenders' joint decision to pursue the Section 7 petition for a Committee of Creditors (CoC) constitution, the order dated 25.10.2024, in Section 7 petition CP (IB) No. 325/Chd/Pb/2023 is **reinstated**. The Resolution Professional (RP) is instructed to follow the directions forthwith outlined in that order.



17. In light of the discussions foregoing, ***I.A. No. 191 of 2025*** is ***allowed*** and ***disposed of***. Consequently, ***I.A. No. 13*** of 2025 stands ***dismissed*** and is ***disposed of***.

Sd/-
(Shishir Agarwal)
Member (Technical)

June 10, 2025
ASG

Sd/-
(Harnam Singh Thakur)
Member (Judicial)