

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – II  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
06.05.2026 AT 10:30 A.M.**

**Rst.A (IBC)/06/2025 in CP (IB) No.160/9/HDB/2020**  
U/s 9 of IBC

**IN THE MATTER OF:**

GP Harmon Recycling LLC

**...Petitioner**

AND

Tirumala Venkateshwara Paper and Board Pvt Ltd

**...Respondent**

**C O R A M:-**

SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)

SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

**ORDER**

**Rst.A (IBC)/06/2025**

Orders pronounced, recorded vide separate sheets. In the result, Rst.A(IBC)/06/2025 is allowed and Company Petition (IB)/160/9/HDB/2020 is restored and directed to be list on **24.06.2026**.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**HYDERABAD BENCH- II**

**Restoration Application (IBC) No. 6 of 2025**

**In**

**C.P. (IB) No. 160/09/HDB/2020**

*[Section 60(5) of the Insolvency and Bankruptcy Code, 2016 along with Rule 11 of National Company Law Tribunal Rules, 2016]*

**In the matter of M/s. GP Harmon LLC vs. M/s. Tirumala Venkateshwara Paper and Board Pvt. Ltd.**

**Between:**

**M/s. GP Harmon Recycling LLC**

Regd. Office at One Jericho Plaza, Suite 204,  
Jericho, NY 11753,  
United States of America.

**....Applicant/Operational Creditor**

**Versus**

**M/s. Tirumala Venkateshwara Paper and Board Pvt. Ltd.,**

Regd. Office at Sy. No. 50/A, Andugulapeta Village,  
Mandamarri Mandal Mancherail, Adilabad,  
Telangana-504231.

Represented by its Managing Director

**.....Respondent/Corporate Debtor**

**Date of Order: 06.05.2026**

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**Date of Order: 06.05.2026**

**Coram:**

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

**Counsels Present:**

For the Applicant : Mr. Shaheezad Kazi & Gladwin Issac, Ld. Advocates on  
behalf of Mr. Sanjay Suraneni, Ld. Advocate.

For the Respondent : Mr. Maharshi Viswaraj, Ld. Advocate

1. The present Application is filed by GP Harmon Recycling LLC (**Operational Creditor/OC**) against M/s. Tirumala Venkateshwara Paper and Board Pvt. Ltd. (**Corporate Debtor/CD**), seeking restoration of the Company Petition bearing C.P. (IB) No. 160 of 2020.

**Application**

2. It is submitted that the Operational Creditor entered into three offshore agreements with the Corporate Debtor through its agent in India, Nathani Continental LLP, pursuant to which the OC agreed to supply certain goods to the CD.
3. It is submitted that the OC dispatched goods from the United States of America along with the original title documents to the Corporate Debtor's banker, namely State Bank of India (**SBI**), with instructions to release such documents only upon proof of payment. However, SBI allegedly released the original documents to the CD without securing payment.
4. It is submitted that the OC raised invoices amounting to USD 95,815.25 between January 2017 to May 2017. It is further submitted that after 2 years, the CD remitted a sum of USD 15,728.54 and failed to make the remaining amount USD 80,086.71.

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5. It is submitted that the OC issued a legal notice dated 13.08.2019 and a demand notice dated 11.10.2019 calling upon the CD to clear the outstanding dues. The CD, vide letters dated 09.09.2019 and 10.01.2020, admitted its liability and proposed to discharge the same in four instalments on or before 30.03.2020; however, the said proposal was not honoured. It is further submitted that the CD remitted USD 40,121.53 to the OC on 15.02.2020.
6. It is submitted that the OC filed a Company Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 on 17.02.2020 for an amount of USD 39,965.18. During the pendency of the said Petition, the CD admitted outstanding dues of Rs. 28,57,111/- and proposed repayment in four instalments, with the first instalment of Rs. 5,00,000/- payable upon acceptance of the proposal by the OC.
7. It is submitted that the OC made a counter-offer proposing payment in two equal instalments of USD 19,982.50 each, payable on 15.10.2021 and on or before 31.12.2021, respectively. However, the CD, vide email dated 18.11.2021, proposed a revised schedule wherein, upon acceptance, it would pay Rs. 5,00,000/- upfront and the balance of Rs. 23,57,111/- in weekly instalments, to be completed on or before 15.01.2022.
8. It is submitted that the OC accepted the revised proposal. However, on 29.11.2021, the OC informed the CD that no payment had been received. In response, the CD, vide email dated 06.12.2021, stated that it was facing technical difficulties in remitting funds in USD due to a change in its banking arrangements from SBI to IndusInd Bank.

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9. It is submitted that the CD enquired whether payment could be made through a third-party bank account, which was declined by the OC. On 10.12.2021, when the matter was listed before this Authority, the CD sought one week's time to effect payment. This Authority granted a final opportunity to clear the entire operational debt on or before 17.12.2021. However, the CD failed to comply. Consequently, vide order dated 21.03.2022, this Authority directed the CD to deposit a demand draft in favour of the OC in Indian Rupees before the Registry.
10. It is submitted that on 30.03.2022, the CD furnished a banker's demand draft issued by IndusInd Bank for Rs. 30,28,148.05/-. The OC submitted that it may face difficulties in depositing the demand draft with its bankers in the USA, as it did not maintain a bank account in India. Accordingly, this Authority recorded as follows::

*"... In pursuance of the orders passed by this Bench on 21.03.2022, the Corporate Debtor had taken a DD for Rs. 30,28,148.05, which is equivalent to USD 39,965 plus exchange rate and handed over the same to the Operational Creditor. In view of the submissions of the DD by the Corporate Debtor, this petition CP 160/9/HDB/2020 is dismissed. In case there is any difficulty with regard to exchange of monies in terms of dollars, we hereby direct the Corporate Debtor to co-operate with the Operational Creditor."*

11. It is submitted that the CD's counsel couriered the demand draft on 01.04.2022, which was received by the OC in the USA on 08.04.2022. However, the OC's bank declined to process the draft as it was denominated in Indian Rupees. The OC was advised to approach IndusInd Bank to explore possible remittance mechanisms.

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12. It is submitted that despite multiple attempts, including a virtual meeting held on 22.06.2022 and follow-up correspondence dated 27.06.2022, IndusInd Bank did not respond to the OC's queries.
13. It is submitted that the demand draft expired on 30.06.2022. The OC was advised to return the original draft for reissuance. Accordingly, the OC informed the CD's counsel and sought issuance of a fresh demand draft, to which the CD's counsel assured he would request the CD for issuance of fresh demand draft.
14. It is submitted that the OC attempted to courier the demand draft on or about 29.06.2022; however, it encountered customs clearance issues at the Mumbai Port. Despite several attempts, the courier was returned to the USA and received by the OC on 27.12.2022. Thereafter, on 25.05.2023, the OC again requested reissuance of the demand draft upon presentation of the original.
15. It is submitted that the CD sought clarification regarding the relationship between the OC and its agent. The OC furnished the requisite details vide email dated 27.07.2023. Further, the OC's counsel sent an email on 01.08.2023 to the counsel of CD requesting for an appointment with Mr. Vivek Gandhi of the CD to handover the expire demand draft and also reissuance of fresh demand draft. However, there was no reply from the Counsel of CD and consequently, a follow-up email was sent to counsel of CD on 07.08.2023.
16. It is submitted that, in the absence of any response, the OC filed I.A. (IBC) No. 684 of 2024 seeking directions for compliance with the order dated 30.03.2022. The CD orally submitted that its account with IndusInd Bank had been closed but expressed willingness to cooperate,

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and this Authority directed to “*co-operate and resolve the matter at the earliest*”.

17. It is submitted that the OC proposed resolution vide letter dated 26.04.2024, including issuance of a fresh demand draft in favour of Nathani Continental LLP, and also to return the original draft & withdraw pending proceedings upon encashment.
18. It is submitted that, in response to the aforesaid letter, the CD, vide communication dated 07.05.2024, alleged that the OC and its representatives had failed to engage professionally. Thereafter, on 22.05.2024, the OC replied, enclosing the original demand draft, and stated that no action had been taken nor any appointment scheduled by the CD or its bank.
19. The OC further stated that, upon receipt of the original demand draft, the CD was required to liaise with IndusInd Bank to facilitate cancellation and/or reissuance of the demand draft for the same amount in favour of Nathani Continental LLP. The OC also requested that a fresh demand draft be hand-delivered to its counsel prior to the next date of hearing and undertook that, upon encashment of the same, it would withdraw the Interlocutory Application. It was further stated that, in the event of failure to furnish the demand draft, the OC would initiate appropriate contempt proceedings against the CD.
20. It is submitted that, on 05.06.2024, the learned counsel for the CD submitted before this Authority that the bank had instructed the CD to open an account for receiving funds, and that the CD had applied for opening such account. It was further submitted that, upon receipt of the funds, a demand draft in favour of the OC would be issued. This Authority, accordingly, granted time.

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21. It is submitted that, on 01.07.2024, one day prior to the hearing of the Interlocutory Application, the CD addressed an email to the OC stating that its account with IndusInd Bank had been closed in compliance with RBI guidelines, and that the bank had sought a No Objection Certificate (NOC) from the existing bank for opening a current account with IndusInd Bank, which was stated to be under process.
22. It is submitted that, on 02.07.2024, when the Interlocutory Application was listed before this Authority, none appeared on behalf of the CD, while the counsel for the OC sought time to obtain instructions. Thereafter, the OC filed a Contempt Petition against the CD alleging non-compliance with the orders of this Authority dated 30.03.2022 and 05.06.2024.
23. It is submitted that, on 21.02.2025, the learned counsel for the CD submitted before this Authority that the entire outstanding amount would be paid in two instalments by 31.03.2025. Accordingly, this Authority directed the CD to file an affidavit setting out the proposed payment plan on or before 24.02.2025. The OC also furnished the bank account details of its agent, in the event of any difficulty in arranging the demand draft.
24. It is submitted that, when the matter was listed on 24.02.2025, the CD submitted that the affidavit would be filed later in the day and that the first instalment of Rs. 5,00,000/- would be paid during the course of the day. It is further submitted that an affidavit was filed by the CD and its directors setting out the payment schedule as set out below:

<b>S. No.</b>	<b>Date of Payment</b>	<b>Amount</b>
1.	24 February 2025	INR 5,00,000.00
2.	10 March 2025	INR 10,00,000.00
3.	30 March 2025	INR 15,28,148.00

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25. It is submitted that, on 25.02.2025, when the matter was taken up, none appeared on behalf of the CD and no payment was made towards the first instalment due on 24.02.2025. This Authority adjourned the matter to 06.03.2025. It is further submitted that, on 28.02.2025, the advocate for the CD informed the advocate for the OC that the first instalment of Rs. 5,00,000/- had been paid, which was duly acknowledged by the OC.
26. It is submitted that, when the matter was listed on 06.03.2025, 13.03.2025, and 21.03.2025, none appeared on behalf of the CD, and no payments were made towards the second and third instalments as per the payment schedule. When the matter was again listed on 01.04.2025, the learned counsel for the CD sought additional time for making the payments; however, the same was not acceded to by this Authority.
27. It is submitted that, in view of the earlier orders passed, this Authority observed that no further directions could be issued and directed the OC to pursue appropriate remedies. Consequently, the Interlocutory Application was disposed of, and the Contempt Petition was heard and reserved for orders.
28. It is submitted that the Company Petition was disposed of pursuant to the handing over of the demand draft by the CD; however, the supervening circumstances have since altered, inasmuch as the OC was compelled to return the demand draft to the CD.
29. It is submitted that this Authority ought to take cognizance of the conduct of the CD, particularly its repeated non-appearance in the contempt proceedings and continued non-compliance with the orders of this Authority. It is further submitted that the CD has admitted the operational debt in its communications dated 09.11.2019 and

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15.11.2021, as well as in the affidavit filed on 24.02.2025. Hence, the present Application has been filed.

**Counter**

30. The Respondent has denied all the allegations, averments, and contentions made in the Application and has contended that the same are false, frivolous, misleading, and devoid of merit or substance.
31. It is submitted that the Applicant had earlier filed two Applications, namely Cont. A. (IBC) No. 12 of 2024 and I.A. (IBC) No. 684 of 2024, seeking identical or substantially similar reliefs on the same set of facts and grounds, both of which were dismissed by this Authority. It is contended that the present Application, being founded on the same facts and issues, is liable to be dismissed.
32. It is contended that, while disposing of C.P. (IB) No. 160/HYD/2020, this Authority did not grant any liberty to the OC to seek restoration or revival of the said Company Petition, and in the absence of such liberty, restoration is impermissible in law. It is further contended that there is no default on the part of the CD, and the alleged difficulties cannot constitute a valid ground for restoration. It is also contended that restoration is permissible only in cases involving procedural irregularity or error attributable to the Tribunal, and not on account of any inconvenience or difficulty faced by the OC.
33. It is submitted that the CD has discharged its liability by issuing a demand draft in favour of the OC, which was not encashed by the OC for reasons best known to it. It is further submitted that reissuance of the demand draft in favour of a third party is impermissible under the applicable RBI regulations.

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34. It is contended that the underlying transaction pertains to a period exceeding five years, and the Letter of Credit through which the payment was to be processed has already lapsed. It is further contended that any remittance at this stage would require prior approval from the RBI. The onus, it is submitted, lies upon the OC to obtain the necessary regulatory approvals for credit or realisation of the said amount, and the CD cannot be held responsible for non-realisation arising out of such regulatory constraints.
35. It is submitted that the alleged debt falls below the threshold limit prescribed under Section 4 of the IBC and, therefore, the Company Petition is not maintainable. Accordingly, it is prayed that the present Application be dismissed with exemplary costs.

**Rejoinder**

36. It is submitted that, after receiving the original demand draft from the OC, the CD failed to reissue the same. The Respondent had undertaken to cancel the expired demand draft and issue a fresh demand draft in favour of Nathani Continental LLP in compliance with the order dated 30.03.2022, however, no steps were taken to honour the said undertaking.
37. The OC reiterates the contents of the Application and submits that the present Restoration Application arises from the continued default in payment of the outstanding sum of Rs. 25,38,148.05.
38. It is submitted that the Company Petition was disposed of on the basis of a settlement recorded in the order of this Authority, which has failed due to default by one party. It is further submitted that this Authority, in exercise of its inherent powers under Rule 11 of the NCLT Rules, 2016 read with Section 60(5)(c) of the IBC, is empowered to recall or restore proceedings to prevent abuse of process and to secure the ends of justice.

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39. It is contended that the present Application is not premised on any procedural irregularity but on the failure of the underlying settlement and continued non-compliance by the CD. It is further contended that the plea that difficulties faced by the OC cannot form a ground for restoration is misconceived, particularly in light of repeated acknowledgments of the debt.
40. It is averred that the demand draft dated 30.03.2022 did not discharge the liability of the CD, as the same was never realised and had expired on 30.06.2022. It is further contended that liability under a negotiable instrument is extinguished only upon actual realisation, and mere issuance of an unencashed demand draft does not amount to discharge of debt.
41. It is submitted that, by crediting the proceeds of the expired demand draft to its own account while simultaneously claiming compliance, the CD has not only failed to discharge its obligation but has also acted in a manner inconsistent with good faith and in disregard of the orders of this Authority.
42. It is contended that, if any regulatory approval was required for effecting payment, the CD was under a clear obligation pursuant to the order dated 30.03.2022 to obtain such approval or propose an alternative mechanism. Failure to do so further evidences lack of bona fides.
43. It is submitted that the Company Petition was filed on 17.02.2020, at a time when the threshold under Section 4 of the IBC was Rs. 1,00,000/-. The subsequent enhancement of the threshold to Rs. 1,00,00,000/- by notification dated 24.03.2020 has prospective application. In the present

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case, the admitted outstanding amount of Rs. 25,38,148.08 exceeds the threshold applicable at the time of institution.

**Findings**

44. The material on record reflects that the M/s. GP Harmon Recycling LLC (Operational Creditor/OC) entered into three offshore agreements with the CD and supplied goods pursuant thereto. Invoices aggregating to USD 95,815.25 were raised during the period from January 2017 to May 2017. It is not in dispute that the CD made part payments of USD 15,728.54 and USD 40,121.53 (on 15.02.2020), leaving a balance of USD 39,965.18 as outstanding.
45. The OC, therefore, filed C.P. (IB) No. 160/9/HDB/2020 on 17.02.2020 under Section 9 of the Insolvency and Bankruptcy Code, 2016, claiming a default of USD 39,965.18. During the pendency of the Petition, this Authority, vide order dated 21.03.2022, directed the CD as follows:

***“Corporate Debtor is directed to obtain a Demand Draft in the name of the Operational Creditor in Indian Rupees also by adding the exchange rate amount and deposit the same before the Registry. This direction is passed after hearing the Counsel for the Corporate Debtor stating that the Petitioner is not accepting any payment made in Indian rupees and that they are financially sound and are willing to make the payment even this day. Whereas the Counsel for the Operational Creditor submits that there is no communication between them as regards the payment of money in terms of the Indian rupees for which the Counsel for the Corporate Debtor stated that an email to this effect was sent to the Operational Creditor on 19.01.2022 and a reply has already been received by them.*”**

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*In view of the same as stated (supra) the Corporate Debtor is directed to submit a Demand Draft in the name of the Operational Creditor along with a memo by the next date of hearing.”*

46. In compliance thereof, the CD furnished a demand draft for Rs. 30,28,148.05/-. Consequently, this Authority, vide order dated 30.03.2022, dismissed the Company Petition C.P (IB) No. 160/09/HDB/2020 upon recording submission of the demand draft, with the following observation:

***“In pursuance of the orders passed by this Bench on 21.03.2022, the Corporate Debtor had taken a DD for Rs.30,28,148.05, which is equivalent to USD 39,965 plus exchange rate and handed over the same to the Operational Creditor.***

*In view of the submissions of the DD by the Corporate Debtor, this petition **CP 160/9/HDB/2020 is dismissed**. In case there is any difficulty with regard to exchange of monies in terms of dollars, we hereby direct the Corporate Debtor to co-operate with the Operational Creditor.”*

47. It is an admitted position that the said demand draft, being denominated in Indian Rupees, could not be encashed by the OC in the United States of America. Despite multiple requests and correspondence exchanged between the CD and OC, no resolution for issued could be reached nor the payment was made to the OC. Consequently, I.A. (IBC) No. 684 of 2024 was filed seeking compliance with the order dated 30.03.2022., and other reliefs as follows:

*“a) Direct the Corporate Debtor to comply with directions issued by this Hon'ble Tribunal in the order dated 30 March 2022 in C.P. (IB) No.160 of 2020;*

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*b) Direct the Corporate Debtor to deposit a sum of USD 39,965.18 (United States Dollar Thirty-Nine Thousand Nine Hundred Sixty-Five and Cents Eighteen) in the US bank account of the Operational Creditor through wire transfer;*

*c) In the alternative of prayer (b), if the Corporate Debtor is unable to make payment in US Dollars, direct the Corporate Debtor to issue a Demand Draft in favour of the Operational Creditor's Agent, Nathani Continental LLP' in Indian Rupees equivalent to USD 39,965.18 (United States Dollar Thirty-Nine Thousand Nine Hundred Sixty-Five and Cents Eighteen);”*

48. Thereafter, I.A. (IBC) No. 684 of 2024 was listed before this Authority on 23.04.2024, wherein the CD submitted that, in terms of the order dated 30.03.2022, it would co-operate and resolve the matter at the earliest.
49. Further, the OC also filed a memo dated 03.06.2024, stating that the CD had assured that it would co-operate and have the matter resolved at the earliest in accordance with the order dated 30.03.2022. In the said memo, the OC further submitted that the CD had acknowledged the return of the original demand draft and had assured issuance of a fresh demand draft for the same amount in the name of 'Nathani Continental LLP' (agent of the OC). The OC also brought to the notice of this Authority that the CD, vide email dated 30.05.2024, had sought time to comply with the order of this Authority.
50. Upon taking on record the memo filed by the OC, this Authority, vide order dated 05.06.2024, directed the CD to comply with the earlier orders. However, no resolution was arrived at between the CD and the OC, and no payment was made by the CD to the OC. Consequently, Contempt Application (IBC) No. 12 of 2024 came to be filed seeking, inter alia, the following reliefs:

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*“a) Take cognizance of and to declare that the Respondents have acted in wilful disobedience of the orders of this Hon'ble Tribunal dated 30 March 2022 in C.P. (IB) No. 160 of 2020 (at Exhibit B) as well as the subsequent orders of this I Hon'ble Tribunal dated 5 June 2024 in I.A. (IBC) No. 684 of 2024 in C.P. (IB) No. 160 of 2020 (at Exhibit C) and direct implementation of such orders and declare that the Respondents are guilty contempt in accordance with Section 12 of the Contempt of Courts Act. 1971, and punish the Respondents with a fine and the Respondent Nos. 2 and 3 with imprisonment; and*

*b) Award in favour of the Applicant costs and expenses incurred by the Applicant in commencing and maintaining proceedings before this Hon'ble Tribunal to secure compliance of the order of this Hon'ble Tribunal dated 30 March 2022 in C.P. (IB) No. 160 of 2020 (at 1B), including costs and expenses relating to the Interlocutory Application (I.A. (IBC) No. 684 of 2024 in C.P. (IB) No. 160 of 2020) and the Contempt Petition.”*

51. On 21.02.2025, when I.A. (IBC) No. 684 of 2024 and Contempt Application (IBC) No. 12 of 2024 were listed before this Authority, the CD submitted that it would make the entire payment in two instalments by 31.03.2025. In this regard, this Authority directed the CD to file an affidavit setting out the payment plan.
52. Subsequently, on 24.02.2025, the CD submitted that it would file the affidavit and make payment of Rs. 5,00,000/- on the same day, i.e., 24.02.2025, and further undertook to pay the remaining amount in two instalments, with the first instalment to be paid on or before 10.03.2025 and the second instalment on or before 31.03.2025. Accordingly, this Authority directed the CD to file the affidavit on 25.02.2025.

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53. On the immediate succeeding date, i.e., 25.02.2025, it was reported to this Authority by the OC that although the affidavit had been e-filed, no payment (Rs. 5,00,000/-) had been received from the CD. Subsequently, on 28.02.2025, the CD submitted that it had made payment of Rs. 5,00,000/- to the OC, which was acknowledged by the OC. However, the CD failed to remit the remaining amount/instalments in terms of its undertaking. Further, the OC had admitted that the CD had made the payment of Rs. 5,00,000/- to on 28.02.2025 (pg. 18 of the Application). Thereafter, on 01.04.2025, this Authority disposed of I.A. (IBC) No. 684 of 2024 and reserved Contempt Application (IBC) No. 12 of 2024 for orders, recording as follows:

**“IA (IBC)/684/2024**

*As the per order dated 21.03.2022, the CP (IB) No.160/9/HDB/2020 was disposed of with a direction that the Corporate Debtor shall obtain a Demand Draft in the name of the Operational Creditor in Indian Rupees also by adding the exchange rate amount. Accordingly, the Corporate Debtor had handed over a Demand Draft (DD) for a sum of Rs.30,28,148.05 to the OC. As the DD being in INR could not be encashed by the OC, in USA and on the refusal of the CD to cooperate, this Tribunal passed many directions for compliance of its order dated 30.03.2022, but significant part of the amount is still to be paid. **In view of the orders passed by this Tribunal from time to time, the Applicant is directed to resort to appropriate remedy and no further directions can be issued in this regard.** Accordingly, this application is disposed of.*

**Cont.A (IBC)/12/2024**

*Heard. Reserved for orders.”*

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**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**HYDERABAD BENCH- II**

**Restoration Application (IBC) No. 6 of 2025**

**In**

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54. Thus, in view of the order passed by this Authority in I.A. (IBC) No. 684 of 2024, the present Application has been filed by the OC. In the meanwhile, the Contempt Application (IBC) No. 12 of 2024 was dismissed vide order dated 25.08.2025
55. From the foregoing sequence of events and the orders passed by this Authority from time to time, it is evident that the Company Petition came to be disposed of solely on the basis of the demand draft furnished by the CD, coupled with the express direction that, in the event of any difficulty in realisation, the CD shall co-operate with the OC.
56. It is not in dispute that the said demand draft, being denominated in Indian Rupees, could not be encashed by the OC in the United States of America and that the same ultimately expired without being realised. The material on record further reflects that, despite repeated opportunities and categorical directions issued by this Authority, the CD failed to take effective steps either to facilitate encashment of the said demand draft or to reissue the same in a manner enabling realisation of the outstanding amount.
57. The conduct of the CD, as borne out from the record, also demonstrates repeated assurances and undertakings before this Authority to discharge the outstanding liability, including an undertaking to pay the amount in instalments. However, such undertaking was not honoured in their entirety, and only a partial payment of Rs. 5,00,000/- was made, leaving a substantial portion of the admitted debt unpaid.
58. The contention of the CD that its liability stood discharged upon issuance of the demand draft cannot be sustained, as it is a settled principle that discharge of liability occurs only upon actual realisation of payment.

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Mere issuance of a negotiable instrument, which remains unencashed and has expired, does not constitute satisfaction of the debt.

59. It is further evident that the disposal of C.P. (IB) No. 160/9/HDB/2020 was predicated upon the assumption that the amount covered under the demand draft would be realised by the OC. The subsequent failure of such realisation, coupled with the non-cooperation of the CD despite specific directions of this Authority, has resulted in frustration of the very basis on which the Company Petition was disposed of.
60. Insofar as the objection of the CD regarding the threshold limit under Section 4 of the Insolvency and Bankruptcy Code, 2016 is concerned, it is observed that the Company Petition was filed on 17.02.2020, when the minimum threshold for initiation of CIRP was Rs. 1,00,000/-. The enhancement of the threshold to Rs. 1,00,00,000/- vide notification dated 24.03.2020 is prospective in nature and does not affect petitions filed prior to the said date. In this regard, we refer to the observation of the Hon'ble NCLAT in ***Madhusudan Tantia v. Amit Choraria*** ***Madhusudan Tantia v. Amit Choraria (2020) ibclaw.in 294 NCLAT:***

*“56. As far as the present case is concerned, this Tribunal, after carefully and with great circumspection, ongoing through the contents of the notification dated 24.03.2020 issued by the Ministry of Corporate Affairs, Government of India, whereby and where under the minimum amount of default limit was specified as Rs. one crore (obviously raising the minimum amount from Rs. one lakh to one crore) unerringly comes to a definite conclusion that the said notification is only ‘Prospective in nature’ and not a ‘retrospective’ one because of the simple reason the said notification does not in express term speaks about the applicability of ‘retrospective’ or ‘retroactive’ operation.”*

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61. In the present case, the admitted outstanding amount is well above the threshold applicable at the time of filing, therefore, the objection raised by the CD in this regard is devoid of merit.
62. The record also discloses that this Authority, while disposing of I.A. (IBC) No. 684 of 2024, observed that a significant portion of the amount remains unpaid and granted liberty to the OC to pursue appropriate remedies. The present Application for restoration has, therefore, been filed in this backdrop and the continued non-payment of the operational debt.
63. In view of the above facts and circumstances, this Authority is satisfied that the settlement recorded in the order dated 30.03.2022 has failed, the operational debt remains unpaid, and the circumstances warrant exercise of inherent powers under Rule 11 of the NCLT Rules, 2016, read with Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016, to secure the ends of justice and prevent abuse of the process of this Authority.

Accordingly, C.P. (IB) No. 160/9/HDB/2020 is restored and directed to be listed on **24.06.2026**.

As a consequence, Restoration Application (IB) No. 6 of 2025 in C.P. (IB) No. 160/9/HDB/2020 is **allowed** and disposed of.

Sd/-

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

Sd/-

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**