IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI
BENCH-V

Intervention Petition-52/2026
in
IB-687/PB/2020

IN THE MATTER OF:

INDIAN BANK (ERSTWHILE ALLAHABAD BANK)

...FINANCIAL CREDITOR

VERSUS

M/S MAHAMAYA EXPORTS PRIVATE LIMITED

...CORPORATE DEBTOR

AND IN THE MATTER OF:
M/s Atul Bansal Hindu Undivided Family,

through its Karta Sh. Aditya

Bansal, resident of B-502 Caitriona Apartments, Ambience Island,

Gurugram, Haryana 122002.

...APPLICANTS / PROPOSED INTERVENORS

VERSUS

M/S MAHAMAYA EXPORTS PRIVATE LIMITED

...CORPORATE DEBTOR

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,
HON'BLE MEMBER (JUDICIAL)
MS. REENA SINHA PURI,
HON'BLE MEMBER (TECHNICAL)

Order Delivered on: 09.10.2026

PRESENT:

For the Applicant : Mr. Arvind Nayar, Sr. Adv.,
Mr. S.S. Ray, Sr. Adv.,
Mr. Abhay Anand Jena,

Ms. Diksha Dadu,
Mr. Ayush Goel, Advs

For the Respondent : Mr. J. Rajesh,
Md. Arsalan Ahmedi,
Mr. Yashwardhan Aggarwal,
Mr. Ali Abbas Masoodi,
Mr. Anant Gautam,
Mr. Aman Gahlot,
Mr. Rishi Chauhan Advs.

ORDER

1. The present Petition has been filed by M/s Atul Bansal (HUF), through its Karta, Sh. Aditya Bansal, in its capacity as a shareholder of the Corporate Debtor, M/s Mahamaya Exports Private Limited, seeking intervention in the Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, filed by the Indian Bank (Financial Creditor) against Mahamaya Exports Private Limited (Corporate Debtor). The reliefs sought are:

   a. *Allow the present Application and permit the Applicant Atul Bansal HUF/shareholders of the Corporate Debtor, to hand over the demand drafts mentioned in paragraph 3 above to the Financial Creditor towards the full and final settlement of the dues of the Financial Creditor;*

   b. *Direct the Financial Creditor, upon receipt and realization of the aforesaid amount from the Applicant/shareholder of Corporate Debtor, to forthwith release and hand over all the original title deeds, mortgage deeds, property papers, security documents, guarantees, and all other original documents pertaining to the secured assets deposited by the Applicant and/or its guarantors, including the documents belonging to the Applicant;*

c. *Pass such other or further order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the present case.*

2. The Applicant states that it holds approximately 26.84% of the paid-up share capital of the Corporate Debtor, M/s Mahamaya Exports Private Limited, and together with Smt. Sona Bansal, holds approximately 44% of its paid-up share capital. It states that the funds for the demand drafts were arranged through financial assistance from Brightlane Infraspace Private Limited under agreements dated 25.06.2026, secured by pledge of the shareholders' shares.

3. The Applicant seeks permission to tender eight demand drafts aggregating to Rs. 73,91,44,208 towards full and final settlement of the Bank's dues and directions for release of security documents and other consequential reliefs. Reference is made to a letter dated 03.08.2026 addressed to the Indian Bank for hand over of drafts seeking settlement not only of the Corporate Debtor's liabilities but also of the liabilities of guarantors, release of securities and documents, withdrawal of proceedings and issuance of a 'no due' certificate upon realization. It is stated that upon such realization and full satisfaction of the Financial Creditor's dues, no dispute would survive for adjudication and continuation of the present Section 7 proceedings would serve no useful purpose.

ANALYSIS AND FINDING

4. We have heard learned counsel appearing for the Financial Creditor, the Corporate Debtor and the Intervenors, and have perused the Petition and the material placed on record.

5. Before proceeding on the issue of maintainability of this Intervention Petition, we record what transpired in the adjudication proceedings. Earlier, on 03.07.2026, the Intervention Petition No. 40/2026, filed by Smt Sona Bansal and Atul Bansal (HUF), was heard on the issue of maintainability and reserved for orders along with the main Section 7 petition CP IB 687 of 2020. Subsequently, Intervention Petition No. 52/2026, filed on 5.08.2026 by Atul Bansal (HUF), arising out of similar facts and circumstances as the Intervention Petition No. 40/2026, came up for consideration on 10.08.2026. This too was heard on the issue of maintainability and reserved for orders on 10.08.2026. However, aggrieved by this Adjudicating Authority proceedings dated 10.08.2026, the Applicant preferred an appeal before the Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 1631 of 2026. The Hon'ble NCLAT disposed the appeal on 03.09.2026 thus:

This appeal is filed against an impugned order dated 10.08.2026 passed by Ld. NCLT wherein Intervention Petition No. 52 of 2026 is reserved for orders. It is the submission of the Ld. Sr. Counsel for the Appellant the Ld. NCLT has not heard the Intervention Petition No. 52 of 2026 and it relates to making entire payment to the Bank/R1. However, Ld. Sr. Counsel for the Respondent No. 1 Bank is present and submits they have not accepted

the payments. In any case, since the Intervention Petition No. 52 of 2026 is reserved for orders, we are not inclined to pass any order in this appeal. The appeal stands disposed of.

6. In the meanwhile, the reserved matters i.e. C.P. (IB)/687(PB)2020, Ivn.P (IBC)/40(ND)2026, Ivn.P (IBC)/52(ND)2026 were put up for clarification on 03.09.2026 to ascertain the stand of the Bank with respect to the proposal of the Shareholder as it is for the Financial Creditor to decide whether the aforesaid proposed arrangement is acceptable to them and accordingly the matter was de-reserved. At that stage, the Counsel appearing for the Bank submitted that the offer of the shareholders stood rejected by the Bank. Consequently, the main petition and the two intervention petitions were reserved again on 03.09.2026. The maintainability of the Intervention Petitions are considered first.

7. Coming to the question of maintainability in the present case, the issue for determination is whether the Intervenor, relying on its status as a shareholder and its proposal to fund settlement of the Corporate Debtor's liability, can intervene at the pre-admission stage of the Section 7 Petition, and obtain directions compelling the Financial Creditor to accept the proposed settlement and release the documents and securities sought for.

8. In this regard, reference may be made to the law laid in *Deb Kumar Mujumdar Vs. State Bank of India*[1], whereby the Hon'ble NCLAT held that

[1] Deb Kumar Mujumdar v. State Bank of India, Company Appeal (AT) (Insolvency) No. 44 of 2018

at the stage of application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 no person has a right to claim for hearing except the Corporate Debtor. Similarly, in *L&T Infrastructure Finance Company Ltd. Vs. Gwalior Bypass Project Ltd*[2], the Hon'ble NCLAT held that a member/shareholder has no right to intervene to oppose admission of application under Section 7 of the Insolvency and Bankruptcy Code, 2016.

9. Further in *Vekas Kumar Garg Vs DMI Finance Pvt. Ltd. & Anr.*[3], the Hon'ble NCLAT held that, at the pre-admission stage of a petition under Section 7 of the Code, the Financial Creditor and the Corporate Debtor are the necessary parties. The Adjudicating Authority's inquiry at that stage is confined to determining whether a financial debt exists and the Corporate Debtor has committed a default warranting initiation of CIRP; third-party intervention is not contemplated.

10. Reference is also made to *Prayag Polytech Pvt. Ltd. v Hind Tradex Ltd.*[4], wherein the NCLAT held that *"In that view of the matter, we are of the view that there is no requirement for intervention of any Directors or shareholders of the 'Financial Creditor' or any other party before admission of Application under Section 7 of IBC. If the application is admitted, it would be open to any aggrieved party to move before this Appellate Tribunal."*

[2] L&T Infrastructure Finance Company Ltd. v. Gwalior Bypass Project Ltd., Company Appeal (AT) (Insolvency) No. 676 of 2019
[3] Vekas Kumar Garg v. DMI Finance Pvt. Ltd. & Anr., Company Appeal (AT) (Insolvency) No. 113 of 2021
[4] Prayag Polytech Pvt. Ltd. v. Hind Tradex Ltd., 2019 SCC OnLine NCLAT 1029

11. Further, while considering the locus of the Applicant, reference may be made to the decision of a three-member Bench of the Hon'ble NCLAT in *Nirej Vadakkedathu Paul & Ors. v. Sunstar Hotels and Estates Pvt. Ltd.*[5], decided on 27.02.2023.

12. The Hon'ble NCLAT observed, prima facie, that no specific provision enables a shareholder, merely in that capacity, to challenge admission of CIRP once the Adjudicating Authority has established the debt and default in a petition under Section 7 of the Code. It further observed that a third party cannot settle the Financial Creditor's claim on behalf of the Corporate Debtor without the Corporate Debtor's consent, particularly when the Financial Creditor opposes the proposal.

13. The Hon'ble NCLAT reasoned that permitting shareholders to maintain such challenges merely on account of their shareholding could render the object of the Code illusory and obstruct a valid CIRP. The decision arose after admission of the Section 7 petition and in the context of a settlement proposal opposed by the Financial Creditor; we rely on its reasoning only to the extent relevant to the Applicants' asserted locus and the unaccepted settlement proposal in the present matter.

14. Further, reliance is placed on the judgment of the Hon'ble Supreme Court dated 15 January 2026 in *Elegna Co-Op. Housing and Commercial*

[5] Nirej Vadakkedathu Paul & Ors. v. Sunstar Hotels and Estates Pvt. Ltd., 2023 SCC OnLine NCLAT 102 (Company Appeal (AT) (CH) (Ins.) No. 142 of 2022

Society Ltd. v. Edelweiss Asset Reconstruction *Company Ltd. and Anr*[6]*.* The relevant paras are referred for easy reference:

*"**13.11.** Proceedings under Section 7 are essentially bipartite at the admission stage, involving only the financial creditor and the corporate debtor. Unrelated third parties including other creditors, have no independent right of audience at this stage, a principle consistently affirmed by this Court."*

…

*"**13.5.** The issue of locus at the Section 7 stage is no longer res integra. In GLAS Trust Company**,** this Court held that while there is no rigid requirement restricting the right to appeal only to the applicant creditor and the corporate debtor, such latitude applies when proceedings are in rem post-admission of CIRP. At the pre-admission stage, proceedings under Section 7 remain in personam, and neither the Adjudicating Authority nor the Appellate Authority is required to hear other creditors, much less unrelated third parties. When proceedings are in personam, no right of audience inheres in persons who are strangers to the debt and default forming the basis of the application."*

15. Further, with respect to the factual matrix, reference may be made to the decision of a three-member Bench of the Hon'ble NCLAT in *Clarion Health*

[6] Elegna Co-operative Housing and Commercial Society Ltd. v. Edelweiss Asset Reconstruction Company Ltd., 2026 INSC 58, in Civil Appeals Nos. 10261 and 10012 of 2025

Food LLP v. Goli Vada Pav Pvt. Ltd. & Anr.[7], decided on 20.11.2024. The appeal was brought by a major shareholder under Section 61 of the Code after admission of a petition under Section 9. The Hon'ble NCLAT held that a shareholder, merely in that capacity, was not a "person aggrieved" under the Code and had no locus to maintain the appeal (para 47 and 49). It also observed that disputes concerning oppression or mismanagement under Sections 241 and 242 of the Companies Act, 2013, are distinct issues governed by that Act and fall outside the purview of the Code (para 33). The relevant observation is extracted below:

> *"**33.** We are aware that the disputes related to shareholder oppression or mismanagement under the Companies Act, 2013 are distinct issues governed by separate statutory provisions and fall outside the purview of the Code. As a special statute, the IBC prevails over the Companies Act pursuant to Section 238, which has been affirmed by the Hon'ble Supreme Court in Innoventive Industries Ltd. v. ICICI Bank (2018), which held that the resolution process under the IBC takes precedence over any conflicting laws. Hence, the contention of appellant regarding resolution of Company Petition under Section 241 & 242 of Companies Act, 2013 before the CIRP petition does not hold water."*

[7] Clarion Health Food LLP v. Goli Vada Pav Pvt. Ltd. & Anr. Company Appeal (AT) (Ins.) No. 1522 of 2023

The present Intervention Petition is at the pre-admission stage under Section 7; the decision is relied upon for its treatment of shareholder status and the boundary between the Code and company-law disputes.

16. The onus of repaying the debt owed to the Financial Creditor lies on the Principal Borrower and the Guarantors, who may be Corporate Guarantors or Personal Guarantor. The Intervenor here does not fall in any of these categories. We note that the Corporate Debtor has not made any proposal for repayment of the outstanding debt of the Principal Borrower.

17. Lack of initiative or inaction by the corporate debtor to make such a proposal may be a grievance of the shareholder. If any shareholder has a grievance concerning the manner in which the company is being represented or the decision taken by its management in relation to the proceedings under Section 7 of the Code, such grievance may be agitated before the appropriate forum in accordance with the applicable provisions of the Companies Act, 2013. However, such grievance, by itself, does not confer any right upon the shareholder to seek impleadment or intervention in the proceedings under Section 7.

18. The proposal has been made by a shareholder of the corporate debtor, who is a third party to the main Section 7 petition. It is a settled principle of law that, in proceedings under Section 7 of the Code, the scope of adjudication is confined to the Financial Creditor and the Corporate Debtor, and ordinarily there is no occasion for intervention by a third party. The shareholders of the Financial Creditor or the Corporate

Debtor, in their capacity as shareholders, have no locus standi to seek impleadment or intervention in proceedings instituted under Section 7 of the Code.

19. A Section 7 proceeding before admission is a proceeding between the Financial Creditor and the Corporate Debtor. At the pre-admission stage, the inquiry under Section 7 is directed to whether a financial debt is due and payable and whether a default has occurred. The Intervenor does not claim to be creditor in respect of the financial debt forming the subject matter of the Section 7 petition, nor does it claim to be a party to the transaction on which the petition is founded. Its asserted interest arises from its shareholding in the Corporate Debtor. Its status as shareholders does not confer a right to intervene in the Section 7 proceedings or to control the defence taken by the Corporate Debtor. A shareholder has no general right to postpone the statutory determination of debt and default.

20. The Intervenor has been heard on its request to intervene; however, the proposed settlement does not constitute a concluded settlement. Indian Bank, the Financial Creditor, has rejected the proposal. The proposal therefore does not, by itself, confer locus on the Applicant or furnish a basis to defer determination of the Section 7 petition. The limited hearing afforded to the Applicant permits consideration of whether its material discloses a concluded settlement or any another legal impediment to deciding the petition; it does not confer control over the Corporate Debtor's defence or enlarge the scope of the Section 7 inquiry.

21. It is noted that the Applicant/shareholder has arranged the requisite funds from a third party, namely, Brightlane Infraspace Private Limited, by availing financial assistance under the Financial Assistance Agreements dated 25.06.2026, against the pledge of its own shareholding. We also take note that the Financial Creditor has objected to receiving the amount tendered by the shareholder of the Corporate Debtor. Thus, a proposal to pay, which the creditor has not accepted and which has not been realized, cannot by itself be treated as a concluded settlement or as discharging the debt.

22. The Applicant, by way of the present Petition, has inter alia, sought directions for the Financial Creditor to accept the demand drafts towards full and final settlement of its dues and, upon receipt and realisation of the said amount, to forthwith release and hand over all original title deeds, mortgage deeds, property papers, security documents, guarantees and other original documents pertaining to the secured assets deposited by the Corporate Debtor to be returned to the set of shareholders which is proposing the payment to the Bank. The prayer to hand over all the security documents to the set of shareholders which is proposing the payment to the Bank is suggestive of inter se disputes amongst the shareholders. The Corporate debtor is a respondent in this Petition. It is a matter of fact that the disputes between the alleged shareholders are already pending consideration before the Hon'ble NCLAT.

23. The Financial Creditor has not accepted the shareholder's proposal, or sought withdrawal, or represented that its claim is satisfied. A proposal

to arrange funds is not a settlement. The eight demand drafts also do not alter that conclusion. The aggregate amount is not reconciled to the Bank's revised claim; one draft is expressly returnable upon a separate contingency; and the tender demands releases and withdrawals extending to other guarantors, securities and proceedings.

24. This Adjudicating Authority cannot compel the Financial Creditor to accept the proposed amount, as the terms of settlement fall within the domain of the parties concerned. Nor can this Adjudicating Authority issue directions for the release of securities or withdrawal of proceedings involving persons and transactions falling beyond the scope of adjudication under Section 7 of the IBC.

25. In view of the law laid down in the aforesaid precedents, it is clear that the shareholder has no locus to maintain an Intervention Petition at the stage of admission of a petition under Section 7 of the Code. The present Intervention Petition is not maintainable and is liable to be rejected. Accordingly, **Intervention Petition 52/2026** stands **dismissed.**

Sd/-
REENA SINHA PURI
MEMBER (TECHNICAL)

Sd/-
MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)