

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI

Company Appeal (AT) (Insolvency) No. 521 of 2019

IN THE MATTER OF:

V.S. Palanivel Appellant

Vs

Sriram City Union Finance Ltd. & Anr. Respondents

Present:

**For Appellant: Mr. G.T. Subramanian, Mr. Suwendu Suvasis
Dash and Ms. Swati Vaibhav, Advocates.**

For Respondent: Ms. Pooja M. Saigal, Advocate.

ORDER

29.05.2019 The Appellant, shareholder of M/s. Sri Lakshmi Hotels Pvt. Ltd. (Corporate Debtor) has preferred this Appeal against order of the Adjudicating Authority (National Company Law Tribunal), Special Bench, Chennai admitting the application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (I&B Code) preferred by M/s Sriram City Union Finance Ltd.

2. Learned Counsel appearing on behalf of the Appellant submitted that there is a dispute about the amount payable by the 'Corporate Debtor'. Further, according to him the award cannot be relied on as it has been set-aside. However, we are not inclined to accept such submission for the following reasons.

3. Admittedly, loan agreement was reached by the 'Corporate Debtor' with the 'Financial Creditor' on 3rd April, 2006, pursuant to which a sum of

Rs.1,50,00,000/- was disbursed to the 'Corporate Debtor' on 3rd July, 2006. Thereafter, 'Financial Creditor' further disbursed a sum of Rs.7,25,000/- to the 'Corporate Debtor', which was to be re-paid along with interest within six months. The 'Corporate Debtor' having failed to pay the amount, the matter was referred to the Arbitral Tribunal, which passed the award on 27th December, 2014 directing the 'Corporate Debtor' to pay a sum of Rs.2,21,08,244 with interest @ 24% per annum from 26th March, 2009 till the date of realization and costs. The 'Corporate Debtor' thereafter moved an Appeal before the Hon'ble High Court of Madras on 16th November, 2017 to set-aside the award. However, the Hon'ble High Court of Madras on 19th June, 2018 rejected the application and confirmed the award.

4. From the aforesaid facts, it is clear that there is a debt and the 'Corporate Debtor' defaulted to pay the amount. For the said reason, if application under Section 7 is admitted, we find no reason to interfere with the impugned order. In absence of any merit, the Appeal is dismissed. No cost.

[Justice S. J. Mukhopadhaya]
Chairperson

[Justice A.I.S. Cheema]
Member (Judicial)

[Kanthi Narahari]
Member (Technical)

Ash/GC