

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI**

**Company Appeal (AT) (Insolvency) No. 118 of 2018**

**IN THE MATTER OF:**

**Mr. Hemanth Meka Rao**

**...Appellant**

**Vs.**

**L&T Finance Ltd. & Anr.**

**...Respondents**

**Present: For Appellant: - Mr. Rajeev K. Panday, Mr. Vivek Singh and Mr. Swastik Dalal, Advocates.**

**For Respondents: - Mr. Navneet Gupta, Advocate.**

**ORDER**

**05.11.2018**— Admittedly, 'M/s. Meka Dredging Company Private Limited'- ('Corporate Debtor') failed to pay the debt and having defaulted to pay the amount, the Respondent- 'M/s. L&T Finance Limited'- ('Financial Creditor') filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('I&B Code' for short) for initiation of 'Corporate Insolvency Resolution Process' against the 'Corporate Debtor'.

2. The 'Financial Creditor' made claim of principal amount amounting to Rs. 19,60,00,000/- plus agreed interest which comes to Rs. 22,74,42,271/- as on 9<sup>th</sup> November, 2016. The Adjudicating Authority (National Company Law Tribunal), Single Bench, Chennai, having noticed that the application was in order and the 'Corporate Debtor' defaulted in payment, admitted the application.

Contd/-.....

3. The case was taken up on 6<sup>th</sup> August, 2018 when the Appellant took plea that it wants to settle the matter with the 'Financial Creditors'. The Appellant settled the matter with the 'L&T Finance Limited' one of the 'Financial Creditor' and received no due certificate. However, it failed to make any settlement with the other 'Financial Creditor' namely—'ARCIL'.

4. Learned counsel appearing on behalf of the 'ARCIL' submitted that a settlement agreement was reached before initiation of the 'Corporate Insolvency Resolution Process' but the 'Corporate Debtor' having failed to pay in terms of the settlement the settlement was revoked. However, we are not inclined to go into the question as to whether the revocation of the settlement was wrong or right.

5. In view of the fact that there was a default on the part of the 'Corporate Debtor' and the application filed by the 'Financial Creditor'- 'L&T Finance Limited' was in order, the Adjudicating Authority having admitted the application, we find no ground to interfere with the said impugned order.

6. So far as the settlement with the 'Financial Creditor'- 'L&T Finance Limited' is concerned, if has been made, on the basis of such settlement, we cannot grant any relief. It is informed that in the

meantime, the order of liquidation has been passed on 20<sup>th</sup> September, 2018 against which the Appellant has also moved an appeal before this Appellate Tribunal and is pending consideration.

7. For the reasons aforesaid, while we do not grant any relief to the Appellant, we make it clear that this order will not come in the way of the parties to settle the matter, if they do not want liquidation and may move before the appropriate forum for appropriate relief.

The appeal and the Interlocutory Application stand disposed of with aforesaid observation. No cost.

(Justice S.J. Mukhopadhaya)  
Chairperson

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

Ar/uk