

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

**Company Appeal (AT) (Insolvency)No.801 of 2019**

**IN THE MATTER OF:**

**South(India) Hotels Pvt. Ltd.**

**.....Appellant**

**Vs.**

**Mr. Rajendran**

**.....Respondent**

**Present :**

**For Appellant:**

**Mr. Baalaji with Mr. Raj, Mr. Karuppaiah, Mrs. Kanika, Advocates**

**O R D E R**

**07.08.2019** - The Appellant has preferred this appeal against the Interim Order dated 25<sup>th</sup> July, 2019 passed by the Adjudicating Authority ('National Company Law Tribunal') Division Bench, Chennai which reads as follows: -

**“ORDER**

*It is an application filed u/s. 43 & 44 of the Insolvency and Bankruptcy Code, 2016 assailing a transaction appropriating the shares the Corporate Debtor company pledged to a company called M/s. South (India) Hotels Private Limited (R1) during the moratorium.*

*....contd.*

*Since this Applicant has raised apprehension that for this R1 has already appropriated the impugned shares belonging to the Corporate Debtor during the moratorium, there could be a possibility of R1 in turn creating third party rights over those shares, whereby since R1 has sought time to file counter in this case, we are of the view that until such time it is imperative to restrain R1 from dealing with the Shares of R-2 belonging to the Corporate Debtor, therefore, R1 is hereby directed not to create any third party rights over those shares until further orders.”*

Learned Counsel for the Appellant submits that with regard to the said pledge shares, third party interest have already been created prior to the Impugned order dated 25<sup>th</sup> July, 2019. However, that cannot be ground to interfere in the Impugned order and it is desirable that the Appellant should bring fact to the notice of the Adjudicating Authority who in its turn is supposed to decide the application u/s 43 and 44 of the Insolvency & Bankruptcy Code, 2016 ('I&B' Code, for short) as filed by the 'Resolution Professional after notice and hearing the parties / Appellant.

...contd.

The appeal stands disposed of with the aforesaid observations. No Costs.

[Justice S. J. Mukhopadhaya]  
Chairperson

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

[Kanthi Narahari]  
Member (Technical)

ss/gc

**Company Appeal (AT) (Insolvency)No.801 of 2019**