

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
NEW DELHI

Company Appeal (AT) (Ins) No.990 of 2019

IN THE MATTER OF:

V. Ravichandran

...Appellant

Versus

Indian Overseas Bank & Anr.

...Respondents

**For Appellant: Shri D. Sreenivasan and Shri G. Ananda Selvam,
 Advocates**

For Respondent: Ms. Richa Sandilya, Advocate (Respondent No.1)

O R D E R

24.09.2019 Heard Shri D. Sreenivasan - Counsel for the Appellant and Ms. Richa Sandilya – Counsel for the Respondent No.1 (Financial Creditor).

2. The Respondent No.1 – Indian Overseas Bank (Financial Creditor) filed Application under Section 7 of Insolvency and Bankruptcy Code, 2016 (IBC – in short) against the Corporate Debtor – M/s. Aascar Films Pvt. Ltd. The Application under Section 7 has been admitted by the Adjudicating Authority (National Company Law Tribunal, Division Bench, Chennai).

3. The record shows that the bank had advanced money to the Corporate Debtor for the purpose of film making and there was huge amount outstanding to be recovered from the Corporate Debtor. It appears that the parties have earlier litigated before the High Court of Madras as well as DRT and the Financial Creditor has then resorted to proceedings under the IBC. Even when the matter came up before the Adjudicating Authority, the

Corporate Debtor wanted one-time settlement with the Financial Creditor. As the amount remained outstanding and there was admitted financial debt of more than Rs.1 Lakh due and as the same was in default, the Adjudicating Authority has admitted the Application and CIRP process has begun.

4. Counsel for the Appellant refers to document dated 20th August, 2019 issued by the Financial Creditor giving time till 30th September, 2019 to make the payments as per the one-time settlement proposed. Thus, according to the Counsel, the Order admitting the Section 7 proceedings should not have been passed.

5. The Appellant itself had on 31.07.2019 moved the Financial Creditor by the letter at Annexure – A13. Considering the documents, outstanding dues are not in dispute. Counsel for the Appellant submits that out of Rs.77.20 Crores to be paid, the Appellant has already paid Rs.16 Crores against release of an asset. The Counsel submits that the Appellant wants to clear all the dues of the bank and should have been given time.

6. The Counsel for the Appellant submits that the Appellant will make efforts and clear all the dues in another 10 days.

7. We do not find any reason to keep this Appeal pending. We proceed to dispose of the same with certain directions.

8. We direct that the Interim Resolution Professional will not issue any publication, if not already issued, and, will not constitute COC, if not yet constituted till 10th October, 2019. The Appellant is given chance to clear all the dues of Respondent No.1 by 10th October, 2019. If the dues are cleared by 10th October, 2019, the Appellant and Respondent No.1 would be at liberty to move the Adjudicating Authority for suitable orders under Rule 11 of the National Company Law Tribunal Rules, 2016 to close the proceedings. However, if COC has been already constituted, the Appellant would be at liberty to move the COC through IRP for relief under Section 12A of the IBC.

The present Appeal is disposed with above directions.

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

[Kanthi Narahari]
Member (Technical)

/rs/gc