



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **04.04.2025** THROUGH VIDEO CONFERENCING

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**PRESENT:** HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

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**APPLICATION NUMBER** :  
**PETITION NUMBER** :CP(IB)/3(CHE)/2024  
**NAME OF THE PETITIONER(S)** :Shriram Finance Ltd  
**NAME OF THE RESPONDENTS** :Om shakthi Travels Pvt Ltd  
**UNDER SECTION** :Sec 7 Rule 4 of IBC, 2016

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**ORDER**

Present: Ld. Counsel Shri. Elayaraj Kumar for the Petitioner.

None for the Respondent.

Vide separate order pronounced in Open Court, the petition is allowed and Shri.Viswanthan Mathur Sabhpathy is appointed as the IRP.

**Sd/-**

**(VENKATARAMAN SUBRAMANIAM)**  
MEMBER (TECHNICAL)

MG

**Sd/-**

**(SANJIV JAIN)**  
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH – I, CHENNAI

**CP(IB)/3/2024**

*(filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of  
the Insolvency and Bankruptcy (Petition to Adjudicating Authority) Rules, 2016)*

*In the matter of Om Shakthi Travels Pvt. Ltd.*

**Shriram Finance Limited,**

(Formerly known as Shriram Transport Finance  
Company Limited),

Rep. by its Power of Attorney, Mr. M. Sakthivel,  
Registered Office at 14A, South Phase,  
Industrial Estate, Guindy,  
Chennai-600 032

*... Financial Creditor/ Petitioner*

*-Vs-*

**Om Shakthi Travels Pvt. Ltd.,**

S-1, 2<sup>nd</sup> Floor, Kurlan Complex,  
No.19, Railway Colony 1<sup>st</sup> Street,  
Nelson Manickam High Road,  
Chennai-600 029

*... Corporate Debtor/Respondent*

*Order Pronounced on 4<sup>th</sup> April, 2025*

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)**

**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

*For Financial Creditor: Shri. P. Elayaraj Kumar, Advocate*

*Respondent ex-parte.*



## ORDER

(Hearing conducted through VC)

This petition under Section 7 of the Insolvency and Bankruptcy, 2016 (“**IBC**”) read with Rule 4 of the Insolvency and Bankruptcy Board of India (Petition to Adjudicating Authority) has been filed by **Shriram Finance Limited** (Formerly known as Shriram Transport Finance Company Limited)(hereinafter referred to as “**Petitioner/Financial Creditor**”) against **Om Shakthi Travels Pvt. Ltd.** (hereinafter referred to as “**Respondent/Corporate Debtor**”) to initiate Corporate Insolvency Resolution Process (“**CIRP**”) against the Corporate Debtor.

2. **Part-I** of the petition sets out the details of the Petitioner/Financial Creditor. Its Registered Office is situated at 14A, South Phase, Industrial Estate, Guindy, Chennai-600 0329. **Part-II** of the petition sets out the details of the Corporate Debtor. It has its Registered Office at No.S-1, 2<sup>nd</sup>Foor, Kurian Complex, No. 19, Railway Colony 1<sup>st</sup> Street, Nelson Manickam High Road, Chennai-600 029within the jurisdiction of this Tribunal. It was incorporated on 29.11.2004 with Authorized Capital of Rs.10,00,000/- (Rupees Ten



Lakhs only) and Paid-up Share Capital of Rs.1,00,000/- (Rupees One Lakh only)

3. In **part-III** of the petition, the Petitioner has proposed the name of the Interim Resolution Professional, Shri. Viswanathan Mathur Sabhpathy having Registration No. IBBI/IPA-001/IP-P00674/2017-18/11148.

4. **Part-IV** of the petition sets out the details of the debt i.e. Rs.9,27,50,112/--(Rupees Nine Crores Twenty Seven Lakhs Fifty Thousand One Hundred and Twelve only) and date of default as 12.12.2023.

5. The case of the Petitioner/Financial Creditor is that it has been carrying on business of hire purchase/lease and Loan-cum-Hypothecation in respect of commercial vehicles under the guidelines of Reserve Bank of India. In the year 2007, the Corporate Debtor had approached the Petitioner for seeking financial assistance in the form of vehicle loans. Considering its request, the Petitioner sanctioned the financial assistance in the form of 15 Vehicle Loan Facilities as detailed at page-5 & 6 of the petition. The Corporate Debtor executed the loan documents. Mrs.Vasantha Kumari being the Director of the Corporate



Debtor stood as Guarantor in her individual capacity for the said vehicle loans availed by the Corporate Debtor. As per the loan agreements, the Corporate Debtor had to pay the amounts in instalments without notice or on demand. Further, the Corporate Debtor had to pay interest on the delayed payments.

6. It is stated that the Respondent committed defaults in repayment of monthly instalments. Finding no other option, the Financial Creditor in terms of the Loan Agreements, took possession of the 15 hypothecated vehicles and sold the vehicles in public auction as detailed in para-12 of the petition. It is stated that after giving credit to the amounts recovered from public auctions of the vehicles, the Corporate Debtor was liable to pay the huge sum. The Financial Creditor thereafter initiated the arbitral proceedings against the Corporate Debtor by invoking the Arbitration Clause stated in the loan agreements and appointed Shri. V. Paul Das as the Sole Arbitrator. The Arbitrator on getting reference, sent the notice of the proceedings to the Corporate Debtor who entered its appearance through its counsel and filed the reply / counter but subsequently, it did not appear. The Arbitrator recording the facts and the proceedings, passed



the awards on 29.12.2020 in favour of the Financial Creditor and against the Corporate Debtor as detailed in para-13 of the petition.

7. It is stated that even after passing of the award by the Arbitrator as early as on 29.12.2020 in respect of 15 vehicle loans, the Corporate Debtor did not pay any sum and committed the default.

The Petitioner has given the details of the amounts claimed to be in default and the date on which the defaults occurred in a tabular form which is extracted as under :

S.No.	Vehicle Registration Number	Award Amount	Interest	Total amount as on 12.12.2023
1.	CEN10931	Rs.21,74,191/-	18%	60,70,911/-
2.	CEN10932	Rs.21,24,191/-	18%	59,30,036/-
3.	CEN10933	Rs.21,24,191/-	18%	59,30,036/-
4.	CEN10934	Rs.21,24,191/-	18%	59,30,036/-
5.	CEN10935	Rs.21,74,191/-	18%	60,70,911/-
6.	CEN10936	Rs.21,24,191/-	18%	59,30,036/-
7.	CEN10937	Rs.23,45,695/-	18%	65,47,755/-
8.	CEN10938	Rs.21,24,191/-	18%	59,30,036/-
9.	CEN10939	Rs.23,02,289/-	18%	64,28,014/-
10.	CEN10940	Rs.21,24,191/-	18%	59,30,036/-
11.	CEN11013	Rs.22,95,641/-	18%	64,10,461/-



12.	CEN11014	Rs.22,95,641/-	18%	64,10,461/-
13.	CEN11015	Rs.22,95,641/-	18%	64,10,461/-
14.	CEN11016	Rs.22,95,641/-	18%	64,10,461/-
15.	CEN11017	Rs.22,95,641/-	18%	64,10,461/-
			<b>TOTAL</b>	<b>9,27,50,112/-</b>

8. Despite notice, the Respondent / Corporate Debtor did not appear and was set as ex-parte on 09.09.2024.

9. We have heard Ld. Counsel for the Petitioner and perused the documents.

10. A perusal of the documents reveals that the Respondent/Corporate Debtor had availed financial assistance from the Petitioner in the form of 15 vehicle loans in the year 2007. It executed the loan documents. One of its Directors viz., Mrs.Vasantha Kumari stood as Guarantor in her individual capacity for the said 15 vehicle loans. As per the loan documents, the loan was repayable in 59 monthly instalments carrying an interest @ 15% per annum or at such other higher rate as may be notified by the Financial Creditor from time to time. As seen from the records, the Corporate Debtor defaulted in payments of monthly instalments which made the



Financial Creditor/Petitioner taking possession of the vehicles and selling the vehicles in the public auction. The amounts recovered from the public auction was not sufficient to satisfy the loan amounts which made the Petitioner initiate arbitral proceedings against the Corporate Debtor in terms of the Arbitration Clause containing in the loan agreements. Though the Corporate Debtor filed the reply/counter in the arbitral proceedings but thereafter, it did not participate in the proceedings and the Arbitrator passed the awards in respect of individual vehicles in different arbitral cases on 29.12.2020. The Petitioner has given the details of the amounts claimed to be in default in a tabular form as above. The total amount claimed in the present petition is 9,27,50,112/- which is more than the threshold limit of Rs.1.0 Crore as provided under Section 4 of the IBC, 2016 for initiating insolvency proceedings against the Corporate Debtor.

11. Though in the present case, the award was passed on 29.12.2020 i.e. within the 10A period as provided in IBC but no demand was raised by the Financial Creditor during the 10A period as evident from the documents. This petition has been filed on 21.12.2023 i.e. within the period of three years from the date the award was passed in favour



of the Petitioner and against the Corporate Debtor/ Respondent. In the case of *“Narayan Mangal Vs Vatsalya Builders & Developers Pvt. Ltd. in Company Appeal (AT) (Ins.) No.294 of 2023”* , it was held that if the default is committed prior to Section 10A period and default continues, there is no prohibition in initiating proceedings under Section 7 of IBC. Liability to pay interest which default committed prior to Section 10A period continues and is not obviated by Section 10A. In the case of *“Beetel Teletech Ltd. Vs Arcella IT Services Pvt. Ltd. 2023 SCC Online NCLAT 642”*, it was held that if the default is committed prior to Section 10A period and continues in Section 10A period, the statutory provision does not put any bar on the initiation of CIRP proceedings. In the present case, as seen from the documents, the default was committed much prior to Section 10A period. The vehicles were repossessed by the Financial Creditor, auctioned in open market and arbitral proceedings were also initiated which resulted into passing of the awards in favour of the Financial Creditor.

12. In the present case, the Petitioner has consolidated the amounts passed in the awards and filed the petition which is permissible under Section 7 of IBC, 2016 which provides that a Financial Creditor either



itself or jointly with other Financial Creditors may file an application for initiating CIRP against the Corporate Debtor when a default has occurred.

13. Section 5(8) of the IBC, 2016 defines financial debt. It means debt along with interest, if any, which is disbursed against the consideration for the time value of money. In the present case, the loan facility which was extended by the Financial Creditor was repayable with interest meaning thereby that the loan was disbursed against the consideration for the time value of money.

14. In the present case, the awards were passed on 29.12.2020. The Corporate Debtor has not challenged the awards by filing the petition under Section 34 of Arbitration & Conciliation Act, 1996. Therefore, the awards have attained finality. The Hon'ble High Court of Hyderabad in the case of *S. Sundharshan Rao v. The Citizen Co-operative Society Limited* [MANU/AP/0052/2016] has held as under :

*"6. ...Thus, if a period of four months elapses from the date the arbitral award has been received by a party, its right to get the same set aside under Section 34 of the 1996 Act gets exhausted. In other words, the arbitral award can get enforced any time after lapse of four months from the date the parties receive the copy of the arbitral award, but do not prefer to challenge the same in term of Section 34."*



15. We are therefore of the considered view that the Financial Creditor has successfully demonstrated and shown the existence of debt and the default committed by the Corporate Debtor. Hence the petition, as filed by the Financial Creditor, is required to be **admitted** under Section 7(5) of the IBC, 2016. We accordingly admit the petition and order for initiation of CIRP against the Corporate Debtor viz., Om Shakthi Travels Pvt. Ltd.

16. In the present case, the Financial Creditor has proposed the name of Interim Resolution Professional in Part – III of the petition viz., Shri. Viswanthan Mathur Sabhapathy having Registration No. IBBI/IPA-001/IP-P00674/2017-18/11148 to act as Interim Resolution Professional for the Corporate Debtor. This Tribunal therefore appoints **Shri. Viswanthan Mathur Sabhapathy with Registration No. IBBI/IPA-001/IP-P00674/2017-18/11148** (AFA valid upto 31.12.2025) as the Interim Resolution Professional.

17. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15, 17,18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the



Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

18. As a consequence of the petition being admitted in terms of Section 7(5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b. Transferring, encumbering, alienating or disposing of by the respondent any of its assets or any legal right or beneficial interest therein;
- c. Any action to foreclose, recover or enforce any security interest created by the respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;



d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

*Explanation.*-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

19. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of



such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

- (3) The provisions of sub-section (1) shall not apply to
  - (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
  - (b) a surety in a contract of guarantee to a corporate debtor.

20. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:



(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

21. The Financial Creditor is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakhs only)** to the Interim Resolution Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the Code to meet out the expenses to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

22. Based on the above terms, the petition **CP/IB/3/2024** stands **admitted** in terms of Section 7(5) of IBC, 2016 and the moratorium



shall come in to effect as of this date. A copy of the Order be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named is also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

**Sd/-**  
**VENKATARAMAN SUBRAMANIAM**  
Member (Technical)

**Sd/-**  
**SANJIV JAIN**  
Member (Judicial)