

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

**Company Appeal (AT) (Insolvency) No. 1204 of 2019**

**IN THE MATTER OF:**

**Ravi Shetty**

**...Appellant**

**Vs**

**Dnova Infracon Pvt. Ltd. & Anr.**

**....Respondents**

**Present:**

**For Appellant: Mr. Pashupati Nath Razdan, Mr. Pulkit Agarwal  
and Mr. Ashutosh Kumar, Advocates.**

**For Respondents: Mr. Dhruv Rohatgi, Advocate.**

**ORDER**

**11.11.2019:** 'M/s Dnova Infracon Pvt. Ltd.' filed application under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'I&B Code') for initiation of Corporate Insolvency Resolution Process against 'M/s Time & Space Lifestyle LLP'. The Adjudicating Authority (National Company Law Tribunal), Bengaluru Bench by impugned order dated 9<sup>th</sup> September, 2019 admitted the application. Learned counsel for the Appellant (one of the Directors of the Corporate Debtor) submits that the Adjudicating Authority erred in passing the impugned order as the dispute of privity of contract being a legal issue in itself existed between the parties. However, such submission is not accepted as it is not in dispute that the Corporate Debtor defaulted to make payment of debt more than Rupees One Lakh and there is a debt payable by it to the Operational Creditor.

2. Having heard learned counsel for the Appellant and learned counsel for the Respondent, in absence of any pre-existing dispute, we find no reason to interfere with the impugned order.

3. At this stage, learned counsel for the Appellant made submission that the Appellant wants to settle the claim with the Respondent. Such permission is granted. Appellant may settle the claim of the Respondent – Operational Creditor before the constitution of Committee of Creditors or in terms of Section 12A of the I&B Code. The appeal stands disposed of with aforesaid observation. No costs.

[Justice S. J. Mukhopadhaya]  
Chairperson

[Justice Venugopal M.]  
Member (Judicial)

[Justice Jarat Kumar Jain]  
Member (Judicial)

*am/gc*