NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 07.08.2026 AT 10.30 A.M. THROUGH VIDEO CONFERENCING:

CORAM : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)

APPLICATION NUMBER	**: --**
PETITION NUMBER	**: CP/(IB)/202/CHE/2024**
NAME OF THE PETITIONER	**: Rajesh Kumar Saraf HUF**
NAME OF THE RESPONDENT(S)	**: Veremax Technologie Services Ltd**
UNDER SECTION	**: Sec 7 Rule 4 of IBC, 2016**

ORDER

Present : Ld. Counsel Mr. K. Sanjay for Ld. Counsel Mr. Vishnu Mohan for the Petitioner.

Vide separate order pronounced in open court, **CP/(IBC)/202/CHE/2024** is dismissed.

-SD-
RAVICHANDRAN RAMASAMY
Member (Technical)

-SD-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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

CP(IB)/202(CHE)/2024

(Filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, R/w, Rule 4 of the Insolvency and Bankruptcy Rules, 2016)

In the matter of ***Veremax Technologie Services Ltd.***

Rajesh Kumar Saraf HUF,
Tangy Apartments,
Flat No. 3C, No. 34,
Dr. P.V. Cherian Crescent,
Egmore, Chennai – 600 008

… Petitioner/ Financial Creditor

V/s

Veremax Technologie Services Ltd.
Doshi Towers, New Number 205,
Third Street, Poonamallee High Road,
Kilpauk, Chennai – 600 010..

… Respondent/ Corporate Debtor

Order Pronounced on 7th August 2026

CORAM:

SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:
For Applicant: Rahul Balaji, madhan Babu Advocate.
For Respondent: Pawan Jhabakh Advocate.

O R D E R

(Heard through Hybrid Mode)

Under consideration is a petition under Section 7 of IBC filed by **Rajesh Kumar Sarraf HUF**, Petitioner/ Financial Creditor herein against Veremax Technologie Services Ltd. (Respondent / Corporate Debtor herein for initiating Corporate Insolvency Process (CIRP) against the Corporate Debtor.

SUBMISSIONS OF THE APPLICANT

2. Part I of the Application contains the particulars of the Applicant Rajesh Kumar Saraf HUF. Part II of the Application sets out the details of the Corporate Debtor. It was incorporated on 17.05.2013 with authorised share capital of the Corporate Debtor address at Doshi Towers, New Number 205, Third Street, Poonamallee High Road, Kilpauk, Chennai - 600 010. In Part II of the application the details of the proposed Insolvency professional is given by the applicant as Madhu Desikan with IBBI registration number as IBBI/IPA-001/IP-P00579/2017-2018/1102. In the part IV of the application the detail of the debt is given as The Principal Amount claimed to be in default is INR 4,50,50,000/- along with interest of INR 51,34,250/- which is calculated at 36% p.a. from the date of disbursement of the loan till 26.08.2024. The total amount claimed is INR 5,01,84,250/ -. The date of default as stated by the applicant is 10.07.2023.

3 It is submitted that Corporate Debtor (acting through its directors/major shareholders, Mr. TRM Venkatesh and Mrs. V. Annam) approached the Applicant and represented that the Corporate Debtor was in urgent need of funds for working capital requested disburse a short-term loan of Rs. 5,00,00,000/- (Rupees Five Crores Only) to the Corporate Debtor for a term of one (1) month at the rate of 36% per annum (i.e. 3% interest per month).

4. It is stated that the Applicant disbursed to the corporate debtor Rs 5,00,00,000/- as a short term loan the said short term loan was disbursed by way of RTGS from the bank account of Applicant to Mr TRM Venkatesh' bank account and on the same day 09.06.2023 The corporate debtor issued a Demand Promissory note in favour of the applicant promising to pay the applicant on demand of Rs 5,00,00,000/- at the interest rate of 36% per annum.

5. It is further submitted that in July 2023 the corporate debtor sought further time for the repayment of the debt due, it is stated that amount of total of Rs 1,07,00,000/- were adjusted by the applicant towards the outstanding interest. It is stated that as on the date of 21.02.2024, an amount of Rs. 50,50,000 was adjusted against the outstanding interest amount receivable from the Corporate Debtor and the remaining amount

of Rs 49,50,000/- further it is stated that Applicant thereafter issued reminders for settlement of the account and the Corporate Debtor committed to pay Rs. 1 crore per month from September 2023 onwards and thus repay the entire outstanding amount within a period of 5 months, but no such payments were made.

6. It is stated that despite various attempts made by the Applicant to resolve the issues, the Corporate Debtor failed to repay the loan and settle the account. The Applicant states that as on 19.07.2024, the amount due and payable by the Corporate Debtor was Rs. 4,85,17,400 (Rupees Four Crores, Eighty-five Lakhs, Seventeen Thousand and Four Hundred only). Accordingly, on 20.07.2024, the Applicant issued a legal notice to all the borrowers, including the Corporate Debtor, calling upon them to pay Rs. 4,85,17,400 (Rupees Four Crores, Eighty-five Lakhs, Seventeen Thousand and Four Hundred only) within a period of 7 days from the date of receipt of the notice. The demand notice was delivered on 22.08.2024. It is stated that the total outstanding as on date is 5,01,84,250/-.

7. In the written submission file by the applicant it is stated that the amounts disbursed by the Applicant/FC were extended as financial assistance to the Corporate Debtor against consideration for time value of

money, and therefore squarely fall within the definition of “financial debt” under Section 5(8) of the Insolvency and Bankruptcy Code, 2016.

8. It is stated that amount was repayable within one month that is by 10.07.2023 but the respondent has failed honour its repayment obligation within the agreed period and thereby committed default.

SUBMISSIONS OF THE RESPONDENT

9. It is stated that Petitioner themselves have admitted that monies were disbursed only to Mr. TRM Venkatesh and the repayments were also tendered by Mr. TRM Venkatesh.

10. It is submitted that without prejudice to its rights and admission of any liabilities, that the alleged Loan Repayment Schedule dated 3rd February 2024 has been provided by Mr. TRM Venkatesh and not by the Respondent.

11. It is submitted that Petitioner relies on the Record of Financial Information issued from the National E-Governance Services Limited (NeSL) portal, submitted by the Petitioner at shows the "Debtor as Mr. TRM Venkatesh and not the Respondent herein. The Respondent states that the said document is conclusive evidence without any iota of doubt, that the Respondent is not the “Debtor”. The Respondent states that the

Record of Financial Information indicated the Respondent to be the Guarantor to Mr. TRM Venkatesh, but however, the Petitioner has not invoked the present proceedings against the Respondent in the capacity of a "Guarantor.

12. The Respondent submits that taking into account the prior payments remitted the borrower Mr. T.R.M. Venkatesh (Rs.4,07,00,000/-) and the balance payment (Rs.3,01,10,000/-), the total amount in default as alleged/claimed by the Petitioner, in the above Company Petition in Form 1 – under Part IV therein against the Respondent herein viz. M/s.Veremax Technologie Services Limited, is completely discharged rendering no payment due from the Respondent.

13. It is submitted that very same debt alleged in the above Petition, the Petitioner has issued a legal notice dated June 4, 2026 to the Respondent herein, among others, for initiating appropriate proceedings under the provisions of the Negotiable Instruments Act, 1881.

REPLY MEMO ON BEHALF OF THE PETITIONER

14. Reply Memo is filed in response to the Memo dated 13.07.2026 filed on behalf of the Respondent, by which the Respondent seeks dismissal of the above Company Petition on the sole ground that it has "completely

discharged" the amount in default set out in Part IV of Form 1, It is stated that after giving credit for every single rupee received from the Respondent (including the sum of Rs. 94,84,250/- remitted on 08.07.2026), a sum of Rs. 4,94,42,000/- (Rupees Four Crores Ninety-Four Lakhs Forty Two Thousand only) remains due and payable, of which the principal alone is Rs. 4,26,17,500/-.

FINDINGS OF THE TRIBUNAL

15. We have carefully considered the pleadings, documents, and submissions of both parties.

16. The fundamental issue that arises for our consideration is whether the Petitioner (Rajesh Kumar Sarraf HUF) has established the existence of a "financial debt" and a corresponding "default" committed by the Respondent / Corporate Debtor (M/s. Veremax Technologie Services Ltd.) to substantiate petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC).

17. Under Section 7 of the IBC, a Financial Creditor can initiate Corporate Insolvency Resolution Process (CIRP) strictly against a Corporate Debtor upon proving that a financial debt was disbursed to the Corporate Debtor

against the consideration for time value of money, and that the Corporate Debtor committed a default in repayment thereof.

18. On examining the documents produced on record by the Petitioner, we find Disbursement of Monies, the Petitioner's own statement of accounts and loan agreements categorically establish that the principal loan amount was disbursed via RTGS directly into the personal bank account of Mr. TRM Venkatesh (an individual) and not into the bank account of the Corporate Debtor.

19. Further it is also seen that Loan Repayment Schedule and correspondence the Loan Repayment Schedule dated 03.02.2024 as well as the email communications dated 12.01.2024 were issued by and addressed to Mr. TRM Venkatesh in his individual capacity. Repayments were likewise tendered by Mr. TRM Venkatesh personally. Further on perusal of NeSL Record of Financial Information the Record of Financial Information issued by the National E-Governance Services Limited (NeSL) portal submitted by the Petitioner explicitly records the "Debtor" as Mr. TRM Venkatesh.

20. It is a well-settled proposition of law that a corporate entity registered under the Companies Act possesses a separate and distinct legal

personality from its directors or shareholders. A financial disbursement made directly to an individual director's bank account cannot, by stretch of imagination, be treated as a financial debt extended to the corporate entity, in the absence of direct corporate borrowing resolutions and direct receipt of funds by the company, further the applicant has not brought on record any further documents to substantiate that the said disbursement was done in furtherance of the corporate debtor.

21. For a "debt" to constitute "financial debt", it must be "disbursed" against the consideration for time value or money. We refer to the definition of "Disbursement" in Black's Law Dictionary the definition of disbursement is defined as *"to mean the act of paying out money, commonly from a fund or in settlement of a debt or account payable, and the money so paid an amount of money given for a particular purpose*". This Tribunal is of the considered view that disbursement, for the purposes of the Code, must necessarily be to the Corporate Debtor and for the utilisation of the Corporate Debtor, in furtherance of its business.

22. At the outset, it is necessary to clarify the true meaning and scope of the expression "disbursement", as it bears upon the question whether the amount in question constitutes a financial debt owed to and by the

Corporate Debtor. Therefore, this tribunal is of the view that when a question on disbursement to the Corporate Debtor is raised it needs to satisfy the

(i) Credit of debt Test - wherein it needs to be substantiated that the debt amount shall stand credited to the account of the Corporate Debt or

(ii) Principle Purpose Test - the said amount shall be disbursed to meet the needs of working, capital investment, repayment of earlier debt or business of the Corporate Debtor and any other.

(iii) Application of debt - the said amount shall, in fact, be appropriated for and use by the Corporate Debtor.

23. In the case placed before us for consideration, it is seen that on perusal of the records placed before us, including the bank statements filed by the Applicant, that the amount in question was not credited to any account held by or in the name of the Corporate Debtor, but on the contrary, the said amount was disbursed into the personal bank account of an individual. The first limb of the test, therefore, stands unsatisfied.

24. Insofar as the purpose of disbursement is concerned, the Applicant has failed to bring on record any material be it correspondence, to substantiate that the amount was disbursed towards any specific requirement, need, or business purpose of the Corporate Debtor. In the

absence of any such contemporaneous documentary evidence, this Bench is unable to accept that the disbursement was made for the needs of the Corporate Debtor. The second limb of the test also stands unsatisfied.

25. As regards the utilisation of the amount, no material has been placed on record by the Applicant to demonstrate, even prima facie, that the said amount was in fact utilised for or towards the business or affairs of the Corporate Debtor. No justification, explanation, or supporting document has been furnished in this regard. The third limb of the test, therefore, equally stands unsatisfied.

26. Therefore, we hold that the Petitioner has failed to establish the primary requirement of a "financial debt" disbursed to the Corporate Debtor M/s. Veremax Technologie Services Ltd.

27. In view of the above findings, **CP(IBC)/CHE/202/2024** filed by Rajesh Kumar Sarraf HUF against M/s. Veremax Technologie Services Ltd. is hereby **DISMISSED**. No order as to costs.

-SD-	-SD-
RAVICHANDRAN RAMASAMY	**JYOTI KUMAR TRIPATHI**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

Rannika/LRA