



**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 28.09.2026 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)/1(CHE)2026
NAME OF THE PETITIONER : Canara Bank
NAME OF THE RESPONDENT(S) : M/s. RMN Infrastructures Ltd
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present : Ld. Counsel for the Petitioner.

Vide separate order pronounced in open court, **CP(IB)/1(CHE)2026** is
Allowed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

jp



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI
CP(IB)/1 (CHE)/2026**

*(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 RMN Infrastructures Limited

CANARA BANK

Branch office at: Asset Recovery Management Branch 524,
8th Floor, Circle Office Building, Anna Salai,
Teynampet, Chennai - 600018
Rep. by its Senior Manager.

... Petitioner/ Financial Creditor

V/s

RMN Infrastructures Limited

8-2-684/J/3/A, Bhavani Nagar Road,
No.12, Banjara Hills, Hyderabad, Telangana - 50003

... Respondent/ Corporate Debtor

Order pronounced on 28.09.2026

CORAM:

SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

*For Applicant: Ld. Counsels J. Ramanathan, R.R. Pradeep, U. Farzana,
E. Monika.*

*For Respondent: Ld. Counsels Abishek Jenasenan, Aparajitha Vishwanath, Sneha
Parthasarathy, Jeevan Hari & Darshan. Parikh.*

ORDER

(Heard through Hybrid Mode)



Under consideration is a petition under Section 7 of IBC filed by **Canara Bank**, Petitioner/ Financial Creditor herein against **RMN Infrastructure Limited**, Respondent / Corporate Debtor herein for initiating Corporate Insolvency Process (CIRP) against the Corporate Debtor / Corporate Guarantor.

2. SUBMISSIONS OF THE APPLICANT

2.1. Part I of the Application contains the particulars of the Applicant Canara Bank. Part II of the Application sets out the details of the Corporate Debtor. It was incorporated on 31.07.2007 with authorised share capital of the Corporate Debtor is Rs.25,00,00,000/- and its paid up share capital of Rs.17,94,40,000/- and address at 8-2-684/J/3/A, Bhavani Nagar Road, Banjara Hills Hyderabad Telangana 50003. In Part III of the application, the Financial Creditor has proposed Solvenza Advisory LLP [IPE AS IP) Formerly known as SSARVI Resolution Services LLP Through its Authorized Signatory Mr. Prashant Jain having Registration Number: IBBI/IPE-0144/IPA- 1/2022-23 / 50008. Part IV of the application sets out the details of the debt being Rs.120,41,36,522.20/- (Rupees One Hundred Twenty Crores Forty-One Lakhs Thirty-Six Thousands Five Hundred and



Twenty-Two) towards principal amount and contractual interests as on 15.11.2024. This application has been filed on 27.01.2025.

2.2. It is submitted that the Canara Bank, along with other banks (Punjab National Bank, Corporation Bank, and State Bank of India), provided financial assistance to GVRMP Dharwad Ramanagar Tollway Private Limited (hereinafter referred to as the Borrower), a Special Purpose Vehicle (SPV) set up for the construction, operation, and maintenance of a highway project awarded by the Government of Karnataka to which the M/s. RMN Infrastructures Limited and few other company stood as Corporate Guarantors and guaranteed for repayment on the default of repayment by the borrower. The application Section 7 Read with Rule 4 of code filed against the original borrower M/s. GVRMP Dharwad Ramanagar Tollway Private Limited is filed and pending before this Tribunal vide order *CP(IBC)No.326/2025 (Filing No.3305118/04168/2024)* on 07.12.2024.

2.3. It is submitted that the financial assistance was structured as a term loan, with Canara Bank acting as the lead lender in the consortium. The total loan amount across the consortium was Rs. 152.92 Crores, with Rs. 50 Crores provided by Canara Bank, which also oversaw the loan's



management and security. The Borrower executed several security agreements, including a Common Loan Agreement, Lenders' Agent Agreement, Escrow Agreement, and other related security documents on March 16, 2011. Additionally, Canara Bank registered the loan charge with the Registrar of Companies, creating a secured interest in the assets of the Borrower to cover the loan liability and in addition to which RMN Infrastructures Limited has executed deed of Guarantee on 16.03.2011 guarantying the repayment in case of failure by the borrower.

2.4. The Applicant further submitted that the Borrower was initially expected to generate revenue through toll collections, projected to increase year-on-year, enabling it to service the loan. However, due to policy changes by the Karnataka Government affecting toll collection, the Borrower claimed revenue was insufficient, leading to defaults in loan repayments. Consequently, Canara Bank classified the loan as a Non-Performing Asset (NPA) on September 29, 2016, and issued a legal notice on January 5, 2018, demanding repayment.

2.5. It is submitted that thereafter, Despite repeated notices and discussions, the Borrower did not repay, resulting in Canara Bank's decision to proceed with recovery actions. The Borrower's persistent non-



compliance led to an application being filed under the Recovery of Debts and Bankruptcy Act, 1993, seeking a recovery certificate for the outstanding amount. Accordingly *O.A. No. 131 of 2018* on the file of DRT-II, Chennai filed in respect of claims from the Corporate Debtor for a total sum of Rs.52,66,25,035/- as on 31.01.2018 and the same is allowed vide order dated 21.04.2021 against Corporate Debtor to be recovered with 12% Interest Compounded Quarterly and a Recovery Certificate dated 08.02.2022 issued by Debt Recovery Tribunal -II in *RC. No. 120/2021* against Corporate Debtor followed by a Demand Notice dated 21.03.2022 issued by the Recovery Officer, Debt Recovery Tribunal-II, Chennai against Corporate Debtor. It is Further submitted that the present application is filed within three years from the date of Demand notice issued by the Recovery Officer, DRT-II, Chennai.

2.6. It is submitted that the in light of on-going issues with the Borrower's repayment and due to the protracted nature of the Recovery of Debts and Bankruptcy Act process, Canara Bank, as the lead lender and primary aggrieved party, decided to initiate a Section 7 application under the Insolvency and Bankruptcy Code (IBC) before the National Company Law Tribunal (NCLT) as an individual action against the Borrower and which is pending for consideration as on date of filing of this application.



It is Further submitted that the grounds for Canara Bank's application under Section 7 of the IBC are:

- a) The Borrower's failure to service the loan repayments as agreed, leading to a declaration of NPA.
- b) Canara Bank's position as a secured creditor with a registered charge over the Borrower's assets, signifying a significant financial stake.
- c) The borrower's failure to repay despite demand notices, highlighting insolvency under IBC standards.

2.7. It is submitted that Canara Bank's Section 7 application asserts its right to initiate insolvency proceedings independently, seeking relief through the Corporate Insolvency Resolution Process (CIRP) to address the Corporate guarantor's inability to pay the outstanding debt guaranteed on behalf of the Original borrower and prevent further erosion of Canara Bank's secured assets.

2.8. It is Submitted that Canara Bank emphasizes that it has standing to file this Section 7 application independently, given its role as the consortium leader, and primary entity involved in negotiating and managing the Borrower's financing structure and this independent application under section 7 aims to secure Canara Bank's interests expeditiously, facilitate asset recovery, and potentially address creditor coordination challenges that may arise due to varying stances among the



other banks in the consortium. Therefore, seeks the NCLT's initiation of CIRP for the Corporate Guarantor under Section 7 of the IBC, facilitating a resolution or liquidation process for asset recovery aligned with the IBC's objectives of timely creditor redressal and debtor resolution.

2.9. In support of the above, the Applicant has annexed copies of all relevant documents including the sanction letters, facility agreements, deeds of guarantee, Copy of the Certificates as required under the Banker's Books, Copy of the Order Passed by the Presiding Officer DRT-II, Chennai in *O.A.No. 131/2018* dated 21.04.2021, Copy of the Recovery Certificate issued by the Presiding Officer DRT-II, Chennai in *R.C.No. 120/2021* in *O.A.No. 131/2018* dated 08.02.2022, Copy of the Demand Notice issued by The Recovery Officer DRT-II, Chennai in *D.R.C. No. 120/2021* in *O.A. No. 131/2018* dated 21.03.2022, Copies of financial contracts entered into between the Borrower and Financial Creditor (Loan Documents) and the record of financial information in Form D issued by the National E-Governance Services Limited (NeSL) for said facilities.

2.10. The Applicant has proposed the appointment of proposed Solvenza Advisory LLP (IPE AS IP) Formerly known as SSARVI Resolution Services LLP Through its Authorized Signatory Mr. Prashant Jain having



Registration Number: IBBI/IPE-0144/IPA- 1/2022-23 / 50008, as the Interim Resolution Professional, and has enclosed the letter of consent and authorization in this regard.

2.11. The Applicant therefore contends that the debt owed clearly falls within the definition of “financial debt” under Section 5(8) of the Code, the occurrence of default stands established, and the evidence placed on record satisfies all requirements under Section 7 of the IBC.

3. SUBMISSIONS OF THE RESPONDENT

3.1. The respondent Submitted that this present Petition is not maintainable either in law or on facts and is liable to be dismissed in limine. Firstly, this Tribunal lacks jurisdiction to entertain the present Petition as the registered office of the Respondent is situated within the territorial jurisdiction of the NCLT Hyderabad bench and the Petitioner has failed to establish the applicability of Section 60(2) of the Insolvency and Bankruptcy Code, 2016. Secondly, the Petitioner has failed to make out any sustainable cause of action against the Respondent, as the Petition is founded primarily on documents and proceedings pertaining to the Borrower Company and does not disclose the date, manner or circumstances of invocation of the guarantee. Lastly, the present Petition



is hopelessly barred by limitation, as the Borrower Company's account was admittedly classified as a Non-Performing Asset on 29.09.2016 and the present proceedings have been initiated only after an inordinate and unexplained delay.

3.2. It is submitted that the present petition is barred by limitation. The Petitioner has expressly admitted that the account of the Borrower Company was classified as NPA on 29.09.2016. Even in the notice subsequently issued by the Petitioner invoking the guarantee, the date when the debt became due is stated as 29.09.2016 and the date of default is stated as 01.06.2016. The present petition came to be filed only in January 2025, more than 8 years after the admitted date of NPA.

3.3. It is Submitted that the Petitioner has attempted to rely upon proceedings before the Debts Recovery Tribunal, Chennai (hereinafter referred to as "DRT"), including the order in *O.A. No.131 of 2018* and Recovery Certificate dated 08.02.2022. However, even assuming without admitting that the Recovery Certificate constitutes a fresh cause of action, the present Petition remains hopelessly barred. The DRT proceedings culminated in an order dated 21.04.2021 and Recovery Certificate dated 08.02.2022. The present petition was filed only on 27.01.2025 and was



thereafter re-filed on 01.09.2025. No explanation whatsoever has been furnished for such substantial delay in curing the defects and re-presenting the Petition. The conduct of the Petitioner raises serious doubts as to genuineness of the initial filing. Having failed to diligently pursue the Petition within the period prescribed by law, the Petitioner cannot derive any advantage from such bad filing. Therefore, even reckoning limitation from the most favourable date available to the Petitioner, the present Petition is ex facie barred by limitation and liable to be dismissed.

3.4. It is submitted that the Petition is further liable to be rejected as the Petitioner has failed to disclose the date, manner and circumstances of invocation of the alleged corporate guarantee and has not filed any invocation notice along with the present Petition. Despite seeking initiation of CIRP against the Respondent in its capacity as a corporate guarantor, the Petitioner has failed to plead when the guarantee was invoked, whether any demand was made upon the Respondent under the terms of the guarantee deed, and how the alleged liability of the Respondent crystallized. Significantly, the documents relied upon by the Petitioner, including the loan documents, statement of accounts, DRT proceedings, Recovery Certificate and Demand Notice, pertain primarily to the Borrower Company and the alleged default committed by the



Borrower Company. The Petitioner has not placed any material on record evidencing an independent default on the part of the Respondent or establishing that the corporate guarantee was invoked. In the absence of any pleading or document demonstrating invocation of the corporate guarantee the present Petition not maintainable and is liable to be dismissed.

3.5. It is submitted that the Borrower Company was incorporated as a Special Purpose Vehicle pursuant to a Joint Bidding Agreement entered into between GVR Infra Projects Limited, Respondent and Prathyusha Associates Shipping Private Limited. The Joint Bidding Agreement records that GVR Infra Projects Limited was the lead member of the consortium. The Respondent was only one of the consortium participants and was primarily associated with the technical and construction aspects of the project. The project subsequently suffered severe financial distress on account of issues including non-acquisition of adequate right of way, forest clearance issues, change of alignment, delayed release of viability gap funding and substantial reduction in toll revenues following restrictions imposed on mining activities in Karnataka.



3.6. The Respondent further submits that it is a going concern engaged in the execution of infrastructure projects across various parts of the country, including the States of Telangana and Andhra Pradesh. The Respondent employs a substantial workforce and provides livelihood to numerous employees directly as well as indirectly through its ongoing projects and business operations. I further submit that the Respondent presently has more than 250 employees on its rolls. Admission of the present Petition would have serious adverse consequences on the Respondent's ongoing operations, existing projects, employees and other stakeholders.

4. SUBMISSIONS OF THE APPLICANT IN REJOINDER

4.1. The Applicant submitted that the Corporate Debtor has failed to specifically traverse the documentary evidence produced by the Financial Creditor including the Corporate Guarantee, Statement of Account, DRT Judgment, Recovery Certificate and authenticated Record of Default. The allegations made in the counter affidavit are contrary to the admitted documents already on record. It is further submitted that the contention that this Hon'ble Tribunal lacks jurisdiction is wholly untenable. At the outset, it is submitted that an identical objection regarding maintainability



and applicability of Section 60(2) of the Insolvency and Bankruptcy Code, 2016 was raised by the Registry at the stage of scrutiny of the present petition. Pursuant thereto, detailed submissions were advanced by the learned counsel for the Financial Creditor explaining the applicability of Section 60(2) of the Code to the facts of the present case. Upon consideration of the said submissions, this Tribunal was pleased to accept the applicability of Section 60(2) of the Insolvency and Bankruptcy Code, 2016 and passed a judicial order dated 20.01.2026 in *CP(IBC)/1/CHE/2026* directing the Registry to list the present petition before Court No. II by specifically invoking the provisions of Section 60(2) of the Code. The order records as follows:

"Invoking the provisions of Section 60(2) of IBC, 2016, we direct the Registry to list the Petition CP(IBC)/1/CHE/2026 before Court No.II on 30.01.2026."

4.2. It is submitted that the allegation that no cause of action is disclosed against the Corporate Debtor is equally false. The Corporate Debtor executed an unconditional Corporate Guarantee securing the obligations of the principal borrower. The liability of a guarantor being co-extensive with that of the principal borrower under Section 128 of the Indian Contract Act, 1872, the default committed by the borrower automatically



attracts the liability of the Corporate Guarantor. It is further submits that the contention regarding limitation is specifically denied. The Financial Creditor obtained a decree in *O.A. No.131 of 2018* from DRT-II, Chennai on 21.04.2021 followed by issuance of Recovery Certificate dated 08.02.2022 in RC No.120/2021. These proceedings constitute independent and continuing acknowledgements and crystallization of debt, furnishing a fresh cause of action for initiation of proceedings under Section 7 of the Code. The petition is therefore well within limitation.

4.3. The applicant submitted that the Corporate Debtor has deliberately omitted to state that it executed a Corporate Guarantee in favour of the consortium lenders and thereby undertook independent and co-extensive liability for repayment of the financial facilities granted to the borrower. The Financial Creditor submits that the Corporate Debtor cannot avoid liability by merely describing the borrower as a Special Purpose Vehicle. The liability in the present proceedings arises not by virtue of shareholding but by virtue of the Corporate Guarantee executed by the Respondent. The only issues for consideration are the existence of financial debt and occurrence of default, both of which stand conclusively established by the documents filed by the Financial Creditor.



4.4. It is further submitted that the Corporate Debtor voluntarily executed the Corporate Guarantee and assumed contractual obligations towards the consortium lenders. Having enjoyed the benefits flowing from the project and the financial facilities extended thereto, the Corporate Debtor is estopped from disputing its liability under the guarantee. The Joint Bidding Agreement relied upon by the Corporate Debtor neither extinguishes nor overrides the Corporate Guarantee executed in favour of the lenders.

4.5. The Applicant submits that as regards the averments regarding alleged absence of invocation of guarantee are specifically denied. The Financial Creditor submits that the liability of the Corporate Guarantor arises immediately upon default by the principal borrower. In any event, the debt has already been adjudicated before the Debts Recovery Tribunal and culminated in a Recovery Certificate against the Corporate Debtor. Therefore, the question of invocation sticks into insignificance once the liability has stood judicially determined. The averments disputing the amount claimed by the Financial Creditor are false and denied. The Financial Creditor has produced certified statements of account together with certificates under the Bankers' Books Evidence Act and the amount



due is duly supported by documentary evidence and the Corporate Debtor has not produced any independent material disproving the debt.

4.6. It is submitted that averments questioning the occurrence of default are denied. The occurrence of default is established by, Loan and security documents, Corporate Guarantee executed by the Corporate Debtor, Statement of Accounts, DRT Judgment dated 21.04.2021, Recovery Certificate dated 08.02.2022, Demand Notice issued by the Recovery Officer dated 21.03.2022 and Authenticated NeSL Record of Default. The Corporate Debtor has not challenged any of these documents before the competent forum and the Financial Creditor has produced an authenticated Record of Default issued by NeSL showing the debt, the default amount and authentication status and the same constitutes statutory evidence of default under the Insolvency and Bankruptcy Code.

4.7. It is submitted that as regards the averments relating to DRT proceedings are denied except to the extent, they acknowledge the decree and Recovery Certificate. The Financial Creditor submits that the liability of the Corporate Debtor stands crystallized through the Judgment in O.A. No.131 of 2013 and Recovery Certificate issued in RC No.120/2021. The said



Recovery Certificate remains valid, subsisting and unsatisfied. The debt therefore continues to remain due and payable.

4.8. The Applicant reiterates that Financial Creditor has successfully established Existence of financial debt, Execution of Corporate Guarantee, Occurrence of default, Adjudication of liability before DRT, Issuance of Recovery Certificate Continuing default reflected in NeSL records and Outstanding liability payable by the Corporate Debtor. The applicant further submitted that the Corporate Debtor has failed to raise any genuine dispute capable of defeating the present petition. The Financial Creditor submits that the counter affidavit does not disclose any legally sustainable defence under Section 7 of the Insolvency and Bankruptcy Code. The entire defence proceeds on extraneous considerations relating to project difficulties and commercial challenges which cannot override admitted contractual obligations under the Corporate Guarantee. The Financial Creditor therefore respectfully submits that the present petition satisfies all statutory requirements under Section 7 of the Insolvency and Bankruptcy Code and deserves to be admitted.

5. WRITTEN SUBMISSIONS OF APPLICANT



5.1. Applicant submitted that the Respondent's submissions essentially rest on four objections: (i) Territorial jurisdiction; (ii) Alleged absence of invocation of the corporate guarantee; (iii) Limitation; and (iv) Alleged delay in curing Registry defects/re-presentation of the Section 7 application.

5.2. It is submitted that the Respondent's objection proceeds on the assumption that Section 60(1) must be applied in isolation and it overlooks Section 60(2), which provides for proceedings against a Corporate Guarantor to be dealt with by the same Adjudicating Authority where the insolvency resolution or liquidation proceeding against the principal borrower is pending. In *S. Vasudevan v. IDBI Trusteeship Services Ltd.*, 2025 SCC OnLine NCLAT 1259, the Hon'ble NCLAT held that "pendency" under Section 60(2) encompasses the period commencing from initiation by filing until conclusion and that the object is to ensure that proceedings concerning the principal borrower and corporate guarantor remain before one forum and avoid conflicting determinations. This Tribunal, by order dated 20.01.2026 in the present proceedings, recorded that the petition against the Corporate Debtor was before the Chennai Bench and was posted for hearing, and, invoking Section 60(2), directed that the present petition be listed before Court-II. It is further submitted that unless that



order dated 20.01.2026 is set aside or varied in appropriate proceedings, the Respondent cannot convert the same issue into a ground for dismissal at the stage of final adjudication.

5.3. The Applicant submitted that Corporate Guarantee was validly invoked and Demand Notice dated 21.03.2022 issued in the recovery proceedings by the Recovery Officer on behalf of the Decree Holders (Consortium of Lenders) was addressed to the Certificate Debtors (Principal Borrowers and Guarantors), including RMN, and demanded payment of the adjudicated/recovery certificate amount. It was not a communication concerning only the Borrower; it called upon the Certificate Debtors including RMN to discharge the recoverable liability. The Respondent's attempt to draw an artificial distinction between a demand issued by the Recovery Officer pursuant to the Recovery Certificate and a contractual invocation is untenable in the facts of this case. The DRT had already adjudicated the liability and the Recovery Certificate authorised recovery from the parties against whom the recovery order operated.

5.4. It is submitted that the Deed of Guarantee recognises written demand as the operative event for the guarantor's liability. The Demand



Notice dated 21.03.2022 satisfies the essential substance of that requirement: it identifies the recoverable liability, addresses the Certificate Debtors and calls for payment. It is further submitted that in *IDBI Bank Ltd. v. ARM Infra & Utilities Pvt. Ltd., Company Appeal (AT)(Ins.) No.1046 of 2023*, decided on 03.07.2025, the Hon'ble NCLAT, Principal Bench considered a Section 7 proceeding against a corporate guarantor and held that a clear demand calling upon the guarantor to pay constituted invocation of guarantee. The Tribunal also recognised the continuing nature of an on-demand corporate guarantee. Hence in the present case the demand notice issued by the Recovery officer on behalf of the lenders being the Decree holders is a valid and clear demand.

5.5. Applicant submitted that the present application is well within the limitation. Respondent's limitation argument is premised on treating 29.09.2016, the Borrower's NPA date, as the sole and immutable date for limitation against RMN. That ignores the subsequent adjudication, Recovery Certificate, contractual demand and written acknowledgment. The Hon'ble Supreme court in *Kotak Mahindra Bank Ltd. v. A. Balakrishnan*, 2022 INSC 630, recognises the significance of a Recovery Certificate and the fresh enforceability of decretal/recovery-certificate dues for purposes of proceedings under the IBC.



5.6. It is submitted that the DRT passed its final order on 21.04.2021 and the Recovery Certificate was issued on 08.02.2022 and the Demand notice was issued on 21.03.2022 and present Section 7 application was presented on 27.01.2025. Thus, even on the Respondent's most conservative computation, reckoning three years from the Recovery Certificate, the application was presented before expiry of that period. The Respondent subsequently acknowledged the subsisting liability by its OTS letter dated 16.10.2024 to Canara Bank. The said OTS letter has been filed along with the Financial Creditor's Rejoinder and forms part of the record. The OTS communication is legally significant because it was made before expiry of the limitation period by the very party against whom the liability is asserted. By seeking settlement of the outstanding dues, the Respondent acknowledged the subsistence of the financial liability. Subject to the signature/authority appearing on the document, the communication attracts Section 18 of the Limitation Act. The Applicant further submits that the OTS letter dated 16.10.2024 constitutes an independent and additional basis for computation of limitation. A fresh period commenced from the date of the written acknowledgment. The present petition, having been presented on 27.01.2025, is well within that fresh period.



5.7. It is submitted that the respondent seeks to convert the procedural history of Registry scrutiny into a substantive bar to the Section 7 proceeding. The chronology relied upon by the Respondent itself shows presentation of application on 27.01.2025, subsequent scrutiny, proceedings under Rule 63, further opportunity to cure defects, re-presentation on 31.12.2025 and eventual numbering as *CP (IB) No.1/CHE/2026*. The fact that the Registry and thereafter the Tribunal permitted Page 6 curing/re-presentation demonstrates that the matter remained alive in the judicial process.

5.8. It is submitted that the Respondent's attempt to treat the DRT proceedings as irrelevant is contrary to the statutory scheme and binding decisions of Hon'ble Supreme Court. The DRT order dated 21.04.2021 is an adjudication of the consortium lenders' recovery claim. The Recovery Certificate dated 08.02.2022 authorises recovery of the adjudicated dues. The Respondent's liability as guarantor was adjudicated in those proceedings. It is further submitted that the NeSL record further corroborates the debt and default. The record reflects an outstanding amount of approximately Rs.116.20 crore and records the last repayment on 31.03.2022. The Respondent has not produced any document demonstrating discharge of the guaranteed debt. The documentary record



establishes the debt, security, guarantee, adjudication, Recovery Certificate, demand and continuing non-payment.

5.9. It is submitted that the present case cannot be decided by isolating one document or one date. The correct approach is to consider the documentary chain as a whole: original consortium lending; execution of the Corporate Guarantee; default by the Borrower; DRT adjudication dated 21.04.2021; Recovery Certificate dated 08.02.2022; Demand Notice dated 21.03.2022; continuing non-payment; NeSL record of default; and the Respondent's subsequent OTS acknowledgment dated 16.10.2024 and 11.05.2026. It is further submitted that each document is mutually corroborative. The Respondent has not produced any document demonstrating discharge of the guaranteed debt. The objections are technical objections raised against an adjudicated and continuing liability.

5.10. Considering the above submissions, Applicant submits that the insolvency jurisdiction under Section 7 is triggered upon establishment of financial debt and default. The Financial Creditor has placed before this Tribunal the contractual documents, adjudication and recovery documents, demand notice and information-utility record. The Respondent's objections do not negate these foundational facts.



6. WRITTEN SUBMISSIONS OF RESPONDENT:

6.1. It is submitted that the present petition is barred by limitation. The Petitioner has expressly admitted that the account of the Borrower Company was classified as NPA on 29.09.2016. The present petition came to be filed only in January 2025, more than 8 years after the admitted date of NPA of the Borrower. It is, therefore, barred by limitation. It is further submitted that the order passed by the DRT, Recovery Certificate and the subsequent demand notice would not give rise to any cause of action under the facts of the present case.

6.2. It is submitted that no explanation whatsoever has been furnished for such substantial delay in curing the defects and re-presenting the Petition. The conduct of the Petitioner raises serious doubts as to genuineness of the initial filing. Having failed to diligently pursue the Petition within the period prescribed by law, the Petitioner cannot derive any advantage from such bad filings. Therefore, even reckoning limitation from the most favourable date available to the Petitioner, the present Petition is ex facie barred by limitation and liable to be dismissed.

6.3. It is submitted that the Petition is further liable to be dismissed as the Petitioner has failed to disclose the date, manner and circumstances of



invocation of the alleged corporate guarantee and has not filed any notice of invocation along with the present Petition. Despite seeking initiation of CIRP against the Respondent in its capacity as a corporate guarantor, the Petitioner has failed to plead when the guarantee was invoked, whether any demand was made upon the Respondent under the terms of the guarantee deed, and how the alleged liability of the Respondent crystallized. The Petition is absolutely silent on the invocation of the guarantee. The documents relied upon by the Petitioner primarily relate to the Borrower Company, its alleged default and the recovery proceedings initiated against it.

6.4. The Respondent submitted that this Bench of the National Company Law Tribunal lacks jurisdiction to entertain the present Petition. The registered office of the Respondent Company is situated at Hyderabad, Telangana, as admitted by the Petitioner in the present Petition. Therefore, in terms of Section 60(1) of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the NCLT Hyderabad bench alone would ordinarily have jurisdiction to entertain a Petition under Section 7 of the IBC against the Respondent Company. It is further submitted that the Petitioner seeks to invoke Section 60(2) of the IBC on the basis that *CP(IB) No. 326 of 2025* has been filed before the NCLT, Chennai Bench against the Borrower



Company. However, CIRP is neither initiated nor pending against the said Borrower Company as on the date of filing of the present Petition. Mere filing of a petition against the Borrower Company does not by itself result in commencement of CIRP. For Section 60(2) of the IBC to apply, a CIRP or liquidation proceeding must be pending against Borrower Company. In the absence of commencement of CIRP against the Borrower Company as on the date of institution of the present proceedings, the assumption of jurisdiction by this Bench is misconceived. Accordingly, the present Petition is liable to be dismissed for want of jurisdiction.

7. FINDINGS OF THE TRIBUNAL

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

7.2. It is the case of the Applicant submits that the Canara Bank (Applicant/Leading Financial creditor), along with other banks (Punjab National Bank, Corporation Bank, and State Bank of India), provided financial assistance of total loan amount across the consortium was Rs. 152.92 Crores, with Rs. 50 Crores provided by Canara Bank as a lead consortium to GVRMP Dharwad Ramanagar Tollway Private Limited (Principle Borrower) by which the RMN Infrastructures Limited and few



other company stood as Corporate Guarantors vide deed of Guarantee 16.03.2011 and guaranteed for repayment on the default of repayment by the borrower.

7.3. It is submitted that thereafter, Despite repeated notices and discussions, the Borrower did not repay, resulting in Canara Bank's decision to proceed with recovery actions in DRT-II, Chennai in *O.A. No. 131 of 2018*, same is allowed in order dated 21.04.2021 and a Recovery Certificate dated 08.02.2022 issued by Debt Recovery Tribunal -II in *RC. No. 120/2021* followed by Demand notice issued on 21.03.2022. It is further submitted that the application Section 7 Read with Rule 4 of code filed against the original borrower M/s. GVRMP Dharwad Ramanagar Tollway Private Limited is filed and pending before this Tribunal vide order *CP(IBC)No.326/2025 (Filing No.3305118/04168/2024)* on 07.12.2024.

7.4. In this case, Applicant submitted that the details of the debt being Rs.120,41,36,522.20/- (Rupees One Hundred Twenty Crores Forty-One Lakhs Thirty-Six Thousands Five Hundred and Twenty-Two) towards principal amount and contractual interests as on 15.11.2024 with date of default being at 05.03.2022.



7.5. On perusal of reply, written submissions filed by respondent, it essentially rest on following objections: (i) Territorial jurisdiction; (ii) Alleged absence of invocation of the corporate guarantee; (iii) Limitation;

7.6. With regards to Territorial jurisdiction, The Respondent cannot selectively rely upon Corporate Guarantor's registered office in Hyderabad while ignoring the special jurisdictional scheme applicable to corporate guarantors under Section 60(2). In *S. Vasudevan v. IDBI Trusteeship Services Ltd.*, 2025 SCC Online NCLAT 1259, (Comp App (AT) (CH) (Ins) No.362/2023) Hon'ble NCLAT held that "pendency" under Section 60(2) encompasses the period commencing from initiation by filing until conclusion and that the object is to ensure that proceedings concerning the principal borrower and corporate guarantor remain before one forum and avoid conflicting determinations and this Tribunal, by order dated 20.01.2026 in the present proceedings invokes Section 60(2) and directed that the present petition be listed before Court-II. The relevant portion is extracted below:

"Invoking the provisions of Section 60(2) of IBC, 2016, we direct the Registry to list the Petition CP(IBC)/1/CHE/2026 before Court No.II on 30.01.2026."



7.7. With regards to the alleged absence of invocation of the corporate guarantee, It has been placed on our records that the Deed of Guarantee dated 16.03.2011 recognises written demand as the operative event for the guarantor's liability and the Recovery certificate dated 08.02.2022 issued by Debt Recovery Tribunal -II in RC. No. 120/2021 followed by Demand Notice dated 21.03.2022 issued to Corporate Guarantor satisfies the essential substance of that requirement and it identifies the recoverable liability, addresses the Certificate Debtors/ Guarantors, calls for payment.

7.8. In *IDBI Bank Ltd. v. ARM Infra & Utilities Pvt. Ltd., Company Appeal (AT)(Ins.) No.1046 of 2023*, decided on 03.07.2025, the Hon'ble NCLAT, Principal Bench considered a Section 7 proceeding against a corporate guarantor and held that a clear demand calling upon the guarantor to pay constituted invocation. The Tribunal also recognised the continuing nature of an on-demand corporate guarantee. Hence in the present case the Deed of Guarantee dated 16.03.2011, Recovery certificate dated 08.02.2022 issued by Debt Recovery Tribunal -II in RC. No. 120/2021, followed by Demand Notice dated 21.03.2022 addressing the Corporate Guarantor issued by Applicant/ financial creditor constitutes a valid and clear demand of invocation of the corporate guarantee.



7.9. With regards to objection of Limitation, it has been placed on our records that the DRT passed its final order vide *O.A. No. 131 of 2018* on 21.04.2021 and the Recovery Certificate was issued on 08.02.2022 and thereafter a Demand notice was issued on 21.03.2022. The present application was presented on 27.01.2025 with date of default on 05.03.2022. The Respondent subsequently acknowledged the subsisting liability vide its memo dated 19.07.2026 filed before this tribunal in which OTS letter dated 16.10.2024 sent to Canara Bank.

7.10. In *Dena Bank vs. C. Shivakumar Reddy*, (2021) 10 SCC 330, Hon'ble Supreme court held that the Limitation Act applies to IBC proceedings by virtue of Section 238A and that an acknowledgment of liability in writing, made before expiry of the prescribed period, attracts Section 18 and gives rise to a fresh period of limitation. Accordingly, the OTS letter dated 16.10.2024 constitutes an independent and additional basis for computation of limitation. A fresh period commenced from the date of the written acknowledgment. The present petition, having been presented on 27.01.2025, is well within that fresh period.

7.11. With regards to existence of debt and default, The applicant/ financial creditor relied on Sanction Letter and Resolution for loan by the



Corporate Guarantor/Debtor, statement of account in respect of credit facility, Certificates under the Banker's Books, Record of Financial Information filed with NeSL, Guarantee Deed dated 16.03.2011 executed by the Corporate Guarantor, Order Passed by the Presiding Officer DRT-II, Chennai in *O.A.No. 131/2018* dated 21.04.2021, Recovery Certificate issued by the Presiding Officer DRT-II, Chennai in *R.C.No. 120/2021* in *O.A.No. 131/2018* dated 08.02.2022, Demand Notice issued dated 21.03.2022

7.12. It is pertinent to note that the above documents relied by Applicant/ Financial creditor has sufficiently establishes the debt and the default and this application completes all material particulars under section 7 of IBC code.

7.13. For the foregoing reasons, this Tribunal holds that the present Petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 is admissible. The application is therefore allowed, and the Corporate Insolvency Resolution Process is ordered to be initiated against the Corporate Debtor/Guarantor, RMN infrastructures Limited, in accordance with the provisions of the Code.



7.14. In view of the facts as stated supra and also in view of the financial debt which is proved by the Financial Creditor and the default being committed on the part of the Corporate Debtor, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor and appoint the proposed Interim Resolution Professional to take charge of the affairs of the Corporate Debtor in accordance with law.

7.15. In the present case, the Financial Creditor has named proposed Solvenza Advisory LLP [IPE AS IP) Formerly known as SSARVI Resolution Services LLP Through its Authorized Signatory Mr. Prashant Jain in Part – III of the Application. Hence, we appoint Solvenza Advisory LLP with Registration No: IBBI/IPE-0144/IPA- 1/2022-23 / 50008 (email id: solvenza.ipe@gmail.com) who is having Authorization for Assignment till 31-12-2026 as the “Interim Resolution Professional” (IRP) in respect of the Corporate Debtor. 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.

7.16. As a consequence of the Application being admitted in terms of Section 7 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;

7.17. 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.”

7.18. 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."

7.19. 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 her in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

8. Based on the above terms, the **CP(IB)/1(CHE)/2026** 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 shall 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 shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be 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.



9. Accordingly, the company petition **CP(IB)/1(CHE)/2026** stands **admitted.**

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)