



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **30.08.2024** 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)/181(CHE)2021  
**NAME OF THE PETITIONER(S)** : The Central Bank of India  
**NAME OF THE RESPONDENTS** : Dinesh Chand Surana  
**UNDER SECTION** : Sec 95(1) of IBC, 2016

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**ORDER**

Present: None for the Petitioner.

Ld. Counsel Shri. Hitesh Singhvi for the Respondent.

Vide separate order pronounced in Open Court, the petition under Section 95 of IBC is **admitted** and Shri. V. Duraisamy 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)/181(CHE)/2021**

*(Under Section 100 of the Insolvency and Bankruptcy Code, 2016)*

**Central Bank of India**  
**Represented by its Chief Manager,**  
Stressed Asset Management Branch  
No.48/49, Montieth Road,  
Egmore, Chennai – 600 008

*.....Applicant*

Versus

**Dinesh Chand Surana**  
49/A-34, A, Block, 6<sup>th</sup> Street,  
Anna Nagar, Chennai – 600 102

*....Respondent*

*Order pronounced on 30<sup>th</sup> August 2024*

**CORAM:**

**SANJIV JAIN, MEMBER (JUDICIAL)**

**VENKATARAMAN SUBRAMANIAN, MEMBER (TECHNICAL)**

*For Petitioner* : *C.Ramaiah, Advocate*  
*For Respondent* : *Ancy George, Advocate*  
*For IRP* : *B.Thilak Narayanan, Advocate for RP*

**ORDER**

**(Hearing Conducted through hybrid mode)**

The present petition has been filed u/s. 95 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016") r/w. Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to



Corporate Debtors) Rules, 2019 by Central Bank of India (“Financial Creditor”) for initiating insolvency resolution process against Mr. Dinesh Chand Surana (“Personal Guarantor”) in respect of Principal Amount of Rs. 299,53,74,312.20 (Two Hundred and Ninety Nine Crores and Fifty Three Lakhs Seventy Four Thousand Three Hundred and Twelve and Twenty Paise Only) /-together with interest. The Date of Default, as specified in Part-III of the present petition, is 11.04.2019. This Petition has been filed on 03.03.2021.

2. Part – I of the Petition sets out the details of the Applicant / Financial Creditor. It has its registered office at No.48/49, Montieth Road, Egmore, Chennai – 600 008. Part-II of the Petition sets out the details of the Personal Guarantor. The address of the Respondent is mentioned as No.49/A-34, A Block, 6<sup>th</sup> Street, Anna Nagar, Chennai – 600 102. The Respondent stood as a personal guarantor in respect of the loans availed by Surana Corporation Limited, the Corporate Debtor. In part – III of the Petition, the applicant has given the debt amount of Rs. 299,53,74,312.20 (Two Hundred and Ninety Nine Crores and Fifty Three Lakhs Seventy Four Thousand Three Hundred and Twelve and Twenty Paise Only) together with interest for Surana Corporation



Limited. Part – IV of the Petition sets out the details of the Resolution Professional. The Petitioner has proposed Mr.V.Duraisamy as the Insolvency Resolution Professional and this Tribunal vide order dated 15.02.2022 appointed Mr.V.Duraisamy as Resolution Professional in respect of the Respondent / Personal Guarantor.

3. It is stated that the Corporate Debtor namely Surana Corporation Limited had availed various credit facilities from Central Bank of India. The Respondent Mr.Dinesh Chand Surana executed the deed of guarantee dated 13.06.2014. It is stated that operation and conduct of the loan account became irregular and the account became NPA on 28.06.2014. The consortium Bank filed O.A. No. 693 of 2016 for recovery of the outstanding dues before DRT-2 Chennai against the Corporate Debtor and the Guarantor. The DRT passed the final order on 30.11.2018 in favour of the consortium banks for Rs.1499,65,20,740.47 as principal, Rs.232,34,85,940.92 as interest @ 7.5% p.a. (simple) from the date of filing of OA i.e. 07.11.2016 till the date of final order and Rs.1,51,255.00 as cost and expenses of Original Application in all totalling to Rs. 1732,01,57,936.39, as per the Schedule of Costs annexed hereunder (Annexure-l) and further interest until realization in full jointly and



severally against the Corporate Debtor and the Guarantors including Mr. Dinesh Chand Surana. The DRT also issued the recovery certificate in DRC No. 145/2019 on 10.04.2019. It is stated that as per Section 19(22-A) of Recovery of Debts and Bankruptcy Act, 1993, the recovery certificate issued by the present Presiding Officer under Section 19(22) of the Act shall be deemed to be a decree or order of the Court for the purpose of initiation of Insolvency proceedings against the individual Guarantor. It is stated that the recovery officer DRT-2 Chennai issued a demand notice on 27.04.2019 to the Corporate Debtor and the Guarantors including Mr.Dinesh Chand Surana calling upon them to deposit the amount and the interest.

4. It is stated that the one of the consortium member i.e. State Bank of India filed an application under Section 7 in CP/550/IB/2018 before this Tribunal against the Corporate Debtor for initiation of CIRP which was allowed by the Tribunal vide order dated 05.10.2018. On an application filed by the RP for liquidating the Corporate Debtor, the Tribunal vide order dated 25.10.2019 passed an order for liquidation of the Corporate Debtor.



5. It is stated that the Applicant issued Form-B Demand Notice to the Respondent / Guarantor on 09.12.2020 which was duly received by the Guarantor, but the Guarantor / Respondent did not make the payment and thus he is liable to pay a sum of Rs. 299,53,74,312.20 together with interest to the Financial Creditor.

6. The Respondent has not filed any counter in the present application.

7. On presentation of the petition by the Financial Creditor, under section 95(1) of the IBC, 2016 for initiating Insolvency Resolution Process against the Personal Guarantor viz. Respondent herein, this tribunal vide Order dated 15.02.2022 appointed Mr. V.Duraisamy as the Interim Resolution Professional (“IRP”) and directed him to exercise all the powers as enumerated u/s. 99 of the Code, r/w rules made thereunder. In accordance with the said Order, the IRP filed his report vide S.R.No.1332 dated 28.02.2022 before this Tribunal seeking to take on record the Report filed as a separate typeset as mandated under Section 99 of the IBC, 2016.



8. The IRP in his Report, after due examination of the petition, documents filed along with the petition, in addition to the requirements as mandated under clauses (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10) of Section 99 of the IBC, 2016, has recommended for the admission of the present petition by the Financial Creditor u/s. 95 of IBC, 2016.

9. It is seen from the record of proceedings that sufficient opportunities were granted to the Respondent to file his reply to the report of the RP. However, the Respondent did not file any reply rebutting the recommendations made by the IRP for admission of the present petition. During the hearing, on 12.08.2024 the Learned Counsel for the Respondent stated that the Respondent has not to file any reply and this Tribunal may proceed with the matter in accordance with law.

10. Heard the submissions made by the Learned Counsel for the parties and perused the report of the IRP.

11. The IRP in his report has observed that the petitioner satisfies the requirement as set out in Section 95 of IBC, 2016. He has accordingly recommended for admission of the present application.



12. Section 128 of the Indian Contract Act, 1872, provides that when a default is committed, the Principal Borrower and Surety are jointly and severally liable to the Creditor and the Creditor has right to recover its dues from either of them or from both of them simultaneously. Section 128 of the Indian Contract Act, 1872 is reproduced hereunder:

*“The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract.”*

13. The Corporate Debtor has already been admitted into Liquidation. The Respondent is the Personal Guarantor of the Corporate Debtor which availed the Loan. The Corporate Debtor / Guarantor failed to repay the Loan after the issuance of Demand Notice. The IRP has also recommended for initiation of Insolvency Resolution Process against the Respondent. The date of default as mentioned in the application is 11.04.2019 i.e., date of issuance of Recovery Certificate. The Present petition has been filed on 03.03.2021. i.e. within the period of three years.

14. The Hon’ble Supreme Court in the case of *Dena Bank (Now Bank of Baroda) versus ‘C. Shivakumar Reddy & Anr. (2021) 10 SCC 330* it has held that the Judgment and/or decree for money in favour of the



Financial Creditor', passed by DRT, or any other Tribunal or Court, or the issuance of a certificate of recovery in favour of the 'Financial Creditor', would give rise to a fresh cause of action for the 'Financial Creditor', to initiate proceedings under Section 7 of the Code, if the dues of the 'Corporate Debtor' under the Judgment/decree or any part thereof remained unpaid. The relevant para is reproduced as hereunder:

*"141. Moreover, a judgment and/or decree for money in favour of the financial creditor, passed by the DRT, or any other tribunal or court, or the issuance of a certificate of recovery in favour of the financial creditor, would give rise to a fresh cause of action for the financial creditor, to initiate proceedings under Section 7 IBC for initiation of the corporate insolvency resolution process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the certificate of recovery, if the dues of the corporate debtor to the financial debtor, under the judgment and/or decree and/or in terms of the certificate of recovery, or any part thereof remained unpaid."*

15. In light of the aforesaid discussions, the present Application i.e. CP(IB)/181(CHE)/2021 is admitted and the Insolvency Resolution



Process stands initiated against Mr. Dinesh Chand Surana viz. the Respondent herein. We hereby direct as follows;

I. Initiate Insolvency Resolution Process against the Respondent/Personal Guarantor. The moratorium in relation to all the debts is declared, from today i.e. date of admission of the application, and shall cease to have effect at the end of the period of 180 days, or this Tribunal passes order on the repayment plan under Section 114 whichever is earlier as provided under Sec 101 of IBC, 2016. During the moratorium period,

- a. Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed, and
- b. The creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt; and
- c. The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein:
- d. The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

II. The Resolution Professional viz. **Mr.V.Duraisamy**, Insolvency Resolution Professional is directed to cause a



public notice published on behalf of the Adjudicating Authority within 7 days of passing this Order on the website of the NCLT Chennai Bench, inviting claims from all Creditors, within 21 days of such issue The notice under Sub Section (1) of Section 102(2) shall include: -

- a. details of the order admitting the application;
- b. particulars of the resolution professional with whom the claims are to be registered; and
- c. the last date for submission of claims.

**III.** The publication of notice shall be made in two newspapers, one in English and other in Vernacular, which have wide circulation in the State where the Corporate Debtor and Personal Guarantor resides. The Resolution Professional shall furnish two spare copies of the notice to the Registry for the record.

**IV.** The Resolution Professional, in exercise of the powers conferred under Section 104, shall prepare a list of creditors on the basis of:

- a. the information disclosed in the application filed by the debtor under Sections 94 or 95 as the case may be, and



- b. claims received by the Resolution Professional under Section 102 within 30 days from the date of the notice. The debtor shall prepare a repayment plan under Section 105, in consultation with the Resolution Professional, containing a proposal to the Creditors for restructuring of his debts or affairs.

The repayment plan may authorize or require the Resolution Professional to:

- a. carry on the debtor, business or trade on his behalf or in his name: or
- b. realise the assets of the debtor; or c. administers or dispose of any funds of the debtor.

The repayment plan shall include the following, namely;

- a. justification for preparation of such repayment plan and reasons based on which the creditors may agree upon the plan;
- b. provision for payment of fee to the Resolution Professional; c. such other matters as may be specified.

- V. The Resolution Professional shall submit the repayment plan along with his report on the plan to this Authority within a period of 21 days from the last date of submission of claims, as provided under Section 106.



- VI.** In case the Resolution Professional recommends that a meeting of the creditors is not required to be called, she shall record the reasons thereof. If the Resolution Professional is of the opinion that a meeting of the creditors should be summoned, she shall specify the details as provided under Section 106(3) of IBC, 2016. The date of meeting should not be less than 14 days or more than 28 days from the date of submission of the Report under subsection (1) of Section 106 of IBC, 2016, for which at least 14 days' notice to the creditors (as per the list prepared) shall be issued by all modes. Such notice must contain the details as provided under the provisions of Section 107 of IBC, 2016.
- VII.** The meeting of the creditors shall be conducted in accordance with Sections 108, 109, 110 & 111 of IBC, 2016. The Resolution Professional shall prepare a report of the meeting of the creditors on repayment plan with all details as provided under Section 112 of IBC, 2016 and submit the same to this Tribunal, copies of which shall be provided to the Debtor and the Creditors. It is made clear that the Resolution Professional shall perform his functions and duties in compliance with the Code of Conduct provided under Section 208 of IBC, 2016.
- VIII.** The Resolution Professional shall submit his periodic reports before this Tribunal, every 30 days.



- IX.** The Applicant is directed to deposit INR 2,00,000/- (Indian Rupees Two lakhs) to the bank account of the Resolution Professional within one week, towards his fees. This shall be subjected to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.
- X.** The Registry is directed to communicate a copy of order, report and application to the concerned parties within seven working days and upload the same on the website immediately after the pronouncement of order.

16. Accordingly CP/IB/181/CHE/2021 stands **admitted**.

**-Sd-**

**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

**-Sd-**

**SANJIV JAIN**  
MEMBER (JUDICIAL)

*SriramAnanth.V*