



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **05.06.2025** THROUGH VIDEO CONFERENCE

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

IN THE MATTER OF : State Bank of India
Vs
K Padmanaban

MAIN PETITION NUMBER : CP(IB)/156(CHE)/2022

(IA/MA) APPLICATION NUMBERS

IA(IBC)/403(CHE)/2024

ORDER

**CP(IB)/156(CHE)/2022
IA(IBC)/403(CHE)/2024**

Present: Ms. Sangamithra Loganathan, Ld. Counsel for Petitioner.
Ms. Saranya, Ld. Counsel for Respondent/Personal Guarantor.
Ms. G.Aishwarya, Ld. Counsel for IRP.

Vide separate Order pronounced in Open Court, **the Petition is dismissed.**

Application is also disposed of.

File be consigned to records.

-sd-

**[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)**

MS

-sd-

**[SANJIV JAIN]
MEMBER (JUDICIAL)**

Date: 05.06.2025



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

CP(IB)/156(CHE)/2022

(Filed under Section 100 of the Insolvency and Bankruptcy Code, 2016)

State Bank of India,
Stressed Assets Management Branch
Red Cross Building Montieth Road,
Egmore, Chennai - 600008

....Financial Creditor/Petitioner

Versus

Mr. K. Padmanabhan,
New No.227, Old No.110,
Ramakrishna Mutt Road,
Raja Annamalai Puram,
Chennai - 600028

....Personal Guarantor/Respondent

Along with

IA(IBC)/403/CHE/2024

In

CP(IB)/156/(CHE)/2022

(filed under section 99 of Insolvency and Bankruptcy Code, 2016)

N. Veerapandian
Interim Resolution Professional for
Personal Gurantor Mr. Padmanabhan
No.36, Second Street, Gopalapuram,
Thiru-vi-ka-Nagar, Jawahar Nagar Post,
Chennai - 600082

.... Interim Resolution Professional/Petitioner

Order pronounced on 05th June, 2025



CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAN, MEMBER (TECHNICAL)

For Petitioner : *B. Dhanraj, Advocates*

For Respondent : *H. Karthik Seshadri, Elizabeth Seshadri, A.Saranya, P. Rajaji, Advocate*

For IRP : *A. Vidhya, P. Mohan Prasad, V. Jayashree, Advocates*

ORDER

(Hearing through hybrid mode)

1. This 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 State Bank of India, Stressed Assets Management Branch ("Financial Creditor") for initiating insolvency resolution process against Mr. K. Padmanbhan ("Personal Guarantor") in respect to Default Amount of Rs. Rs.265,79,48,953.31/- (Rupees Two Hundred Sixty-Five Crore Seventy-Nine Lakh Forty-Eight Thousand Nine Hundred Fifty-Three and Thirty-One Paise Only) including interest and penalties. The Date of Default, as specified in Part-III of the present Petition, is 02.09.2012. The Petition has placed the Deed of



Personal Guarantee executed by both K. Padmanabhan and his wife Mrs. Gayathri Padmanabhan in favour of the Creditor, Letter Renewing Credit Facilities to the Corporate Debtor, Supplemental Deed of Guarantee for increase in Overall Limit executed by Mrs. Gayathri Padmanabhan and Mortgage of Deposit of Title Deeds. This Petition has been filed before this Tribunal on 29.06.2022.

2. **Part – I** of the Petition sets out the details of the Petitioner / Financial Creditor. It has its registered office in State Bank Bhavan, Corporate Centre, Madame Cama Road, Mumbai-400 021 Maharashtra and is represented by its Assistant General Manager Representative, Mr. T. Adithya Varma. **Part-II** of the petition sets out the details of the Personal Guarantor namely Mr. K. Padmanabhan. The address of the Respondent is stated as New No.227. Old No. 110, Ramakrishna Mutt Road, Raja Annamalai Puram, Chennai-600 028.

3. It is stated that the Respondent stood as a Personal guarantor in respect of the loans availed by Teledata Marine Solutions Limited, the Corporate Debtor, from State Bank of India. The Personal Guarantor executed a Deed of Guarantee dated 20.03.2008, in favour of State Bank of India ("Guarantee Deed"), providing an irrevocable and continuing



guarantee for the repayment of the facilities availed by the Corporate Debtor.

4. It is stated that the Winding up/ Liquidation proceedings under the Section 433 Companies Act, 1956 against the Corporate Debtor (Teledata Marine Solutions Limited) was ordered by the Hon'ble Madras High Court vide the order dated 18.06.2014 in CP/276/2010.

5. It is stated that a Demand Notice was issued on 12.11.2010 to both the Corporate Debtor and the Personal Guarantors, including Mr. K. Padmanabhan, seeking repayment of the outstanding debt. Consequently, the Applicant invoked the Personal Guarantee furnished by Mr. K. Padmanabhan and called upon him to repay the outstanding dues along with applicable interest and other charges.

6. It is stated that a proposal for One Time Settlement (OTS) were made by the Corporate debtor on 07.04.2012 and on 21.03.2013 respectively, which were rejected by the financial creditor.

7. It is stated that a Recovery Certificate bearing No. 100/2012 for a sum of ₹265,79,48,953/- (Rupees Two Hundred Sixty-Five Crores Seventy-Nine Lakhs Forty-Eight Thousand Nine Hundred and Fifty-Three Only) was issued pursuant to the order dated 04.07.2012 in O.A. No. 48 of 2012 by the Debt Recovery Tribunal-III, Chennai.



8. It is stated that the Financial Creditor/ State Bank of India sent a Demand Notice dated 02.05.2022 to the Personal Guarantor, Mr. K. Padmanabhan under Rule 7 (1) of the Insolvency Resolution process of the Personal Guarantor to Corporate Debtor invoking the bank guarantee, however, the Guarantor did not make the payment. Following that, on 29.06.2022, the Financial Creditor filed the captioned Petition before this Tribunal.

9. This Tribunal vide order dated 20.12.2023 in CP(IBC)/156(CHE)/2022 appointed Mr. N. Veerapandian, as Insolvency Resolution Professional and directed the Insolvency Resolution Professional to collate all the facts relevant to the examination of the Petition for the commencement of the Insolvency Resolution Process in respect of the Personal Guarantor. He in terms of the Order of this Tribunal filed his report vide SR No.81 on 09.01.2024

10. The IRP in his Report, after due examination of the application, documents filed along with the Petition, and the Reply filed by the Respondent, 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, he has recommended for the admission of the present application



against the Personal Guarantor u/s. 95 of IBC, 2016. The Report of the IRP is taken on record. The Application IA(IBC)/403/CHE/2024 is accordingly disposed of.

11. SUBMISSIONS BY THE RESPONDENT/ PERSONAL GUARANTOR

11.1 The Personal guarantor has filed objection to the report vide SR No. 738 dated 12.02.2024 and written synopsis vide SR No. 1620 dated 24.04.2025. It is submitted that in the present case, the debt became due on 09.08.2012 on the basis of the recovery certificate issued by the Recovery Officer, DRT against the Respondent. The Form-C placed with the petition shows the date of default as 02.09.2012. The guarantee deed dated 20.03.2008 and 31.12.2008 were invoked vide notice dated 12.11.2010. It is stated that the petition has been filed on 29.06.2022 and is barred by limitation. It is stated that Article 137 of Limitation Act stipulates the limitation period as three years from the date of default which in the present case was on 02.09.2012.

11.2 Reference is made of the case of *Vashdeo R. Bhojwani v. Abhyudaya Co-operative Bank (2019) 9 SCC 158*, where Hon'ble Supreme Court has held that the clock on limitation starts ticking from



the date of issue of recovery certificate which in the present case is 09.08.2012. At best, the limitation period on the Petitioner's claim may begin from 02.09.2012. It is stated that by virtue of Section 238-A of the Code, the Limitation Act is applicable to the proceedings under the IBC. Reliance is also placed on the order of the National Company Law Tribunal, Mumbai in the case of *Bank of Baroda v. Mrs. Zulekha Amir Dodhia* in CP (IB) NO. 1275/MB/2021.

11.3 It is stated that Article 136 of the Limitation Act has no application as it pertains only to execution and this petition under Section 95 is not one for recovery or execution and only Article 137 of Limitation Act will apply. It is stated that based on the revocation of personal guarantee on 12.11.2010 and the recovery certificate dated 09.08.2012, the continuing nature of the guarantee ceased to exist. In the present case, the account of the Corporate Debtor was declared NPA on 30.09.2009 and the personal guarantee was invoked on 12.11.2010. It is stated that the Petitioner has fully recovered the debt through the sale of principal borrower's properties leaving no valid claim against the Personal Guarantor. The Respondent vide email dated 29.12.2023 has also denied existence of any debt owed to him by the Principal Borrower. It is also



stated that the Petitioner did not prefer any claim before the Official Liquidator appointed by the Hon'ble High Court.

12. SUBMISSIONS BY THE PETITIONER

12.1 Per contra, it is argued on behalf of the Petitioner that the limitation for enforcing debt on the basis of the recovery certificate is 12 years and as such the petition is within the prescribed limitation period. The debt recovery certificate is deemed to have the effect of a decree carrying a 12 years limitation period from the date of issuance. It is stated that the deed of guarantee is a continuing and irrevocable guarantee in which the Respondent had guaranteed to the Bank for repayment of all monies which shall at any time be due to the Bank by the Company. In the case of a continuing guarantee, so long as the account is live and is not settled and there is no refusal on the part of the Guarantor to carry out the obligation, the limitation would run from the date of breach under Article 115 of the Schedule to the Limitation Act. It is stated that though in the present case, the recovery certificate was issued in 2012, but the Respondent / Personal Guarantor had furnished a letter to the Petitioner admitting the liability towards the outstanding dues as recent as 27.12.2021. The last acknowledgment from the Respondent is on 27.12.2021 and therefore the petition filed on



29.05.2022 is well within the period stipulated under the Limitation Act, 1963.

12.2 The Petitioner have placed reliance on the judgment of the Hon'ble Supreme Court in *Tottempudi Salalith vs. State Bank of India & Ors., (2023) ibclaw.in 123 SC* wherein it was held that the enforcement of a deemed decree in the form of a Debt Recovery Certificate (DRC) is governed by a limitation period of twelve years from the date of its issuance. Therefore, the present application is within the limitation period and is maintainable. It was further submitted that the guarantee executed by the Personal Guarantor is a continuing guarantee, and any unsettled debt owed by the Corporate Debtor can be recovered from the Personal Guarantor.

FINDINGS OF THIS TRIBUNAL:

13. We have heard Ld. Counsels for the parties, perused the documents, report of the IRP and the written synopsis of arguments.

14. In the present case, the Corporate Debtor had availed the loan from the Financial Creditor i.e. the Petitioner on 20.03.2008 for Rs. 412.40 Crores. The Respondent and his wife Mrs. Gayathri Padmanabhan had executed the deed of guarantee on 20.03.2008 in favour of the Financial



Creditor as regards repayment of loan amount. The Corporate Debtor thereafter issued a letter renewing the credit facilities on 27.12.2008 to the Financial Creditor. The Respondent also signed the supplemental deed of guarantee for overall limit dated 31.12.2008. The Respondent has given a Memorandum for deposit of Title Deeds on all the piece and parcel of land in the name of the Personal Guarantor to the extent of 26,57 Acres, situated at No.25, Easwaren Koil Vattam, Ennai Village, Kulathur Taluk, Pudukottai District, situated within the Registration Sub District of Iluppur and the Registration District of Pudukottai. He also signed an agreement to pledge shares held in the Corporate Debtor by him on 09.11.2009.

15. As seen from the record, the Corporate Debtor defaulted in repayment of loan which made the Financial Creditor send a demand notice on 12.11.2010 to the Corporate Debtor and the Guarantors including the Respondent. It was stated in the notice that they apart from being the Directors also executed necessary deeds of guarantee for the above said facilities assuring prompt repayment and operations of their accounts which was declared as NPA on 30.09.2009. It was alleged that the Respondent had not taken any concrete step to regularize the accounts or to clear the outstanding dues and thereby committed default



in repayment / regularizing the account, vide the above notice the Corporate Debtor as well as the Guarantors were called upon jointly or severally to pay the sum due as on 31.03.2010 along with interest within 15 days of the receipt of the notice. The demand notice clearly shows that the Bank / Financial Creditor had invoked the bank guarantee calling upon the Guarantors including the Respondent to make the payments. The Bank also initiated the recovery proceedings against the Corporate Debtor and the Guarantors before the DRT. The suit was decreed in favour of the Financial Creditor / State Bank of India and a debt recovery certificate was issued on 27.07.2012 pursuant to the order in O.A. No. 48 of 2012 dated 04.07.2012 passed by the DRT which was intimated to the Petitioner on 09.08.2012.

16. In the petition, the amount of default has been stated as Rs. 265,79,48,953.31 as on 27.07.2012 and the date on which the debt became due as 09.08.2012 i.e. the demand date under debt recovery certificate No. 100/2012. The date of default has been stated as 02.09.2012.

17. **ANALYSIS**

17.1 In *Tottempudi Salalith v. State Bank of India & Ors. [(2023) ibclaw.in 123 SC]*, the Hon'ble Supreme Court considered the issue of



limitation in the context of three Recovery Certificates issued by the Debt Recovery Tribunal—one dated 8th September 2015 and two others issued in 2017. The contention before the Hon'ble Court was that the Section 7 application filed under the Insolvency and Bankruptcy Code, 2016, was barred by limitation with respect to the 2015 certificate, as more than three years had elapsed from its date of issuance. To address this contention, the Hon'ble Supreme Court relied upon the earlier decision in *Kotak Mahindra Bank Limited v. A. Balakrishnan [(2022) 9 SCC 186]*.

17.2 In *Kotak Mahindra* (supra), a Three-Judge Bench of the Hon'ble Supreme Court authoritatively held that an application under Section 7 of the Code may be based upon a Recovery Certificate issued by the Debt Recovery Tribunal. The Court referred to Section 19(22A) of the Recovery of Debts and Bankruptcy Act, 1993, which deems a Recovery Certificate issued under Section 19(22) as a “decree or order of the Court” for the purpose of initiating insolvency proceedings under any prevailing law. Accordingly, the Hon'ble Court concluded that such a certificate may be treated as a decree for initiating proceedings under the Code. In line with the judgment in *Dena Bank v. C. Shivakumar Reddy & Anr. [2021 SCC OnLine SC 543]*, it was held that the limitation



for filing such applications is three years from the date of issuance of the Recovery Certificate.

17.3 The Hon'ble Supreme Court in *Tottempudi Salalith* (supra) further clarified that a Recovery Certificate gives rise to a fresh and independent cause of action for initiating proceedings under the Code. However, it was specifically held that such proceedings are governed by Article 137 of the Limitation Act, 1963, which provides a limitation period of three years for any application for which no period of limitation is expressly provided elsewhere. This period begins from the date of issuance of the Recovery Certificate.

17.4 The Hon'ble Supreme Court held that the application in respect of the two Recovery Certificates issued in the year 2017 was maintainable, having been filed within the prescribed limitation period of three years under Article 137. However, in respect of the Recovery Certificate dated 8th September 2015, the Court observed that if the Appellate Tribunal were to conclude that initiation of CIRP based on said certificate is barred by limitation, then such claim could be segregated from the composite application.

17.5 The Hon'ble Supreme Court further directed that, in such an eventuality, the Committee of Creditors shall treat the amount reflected



in the Recovery Certificate dated 8th September 2015 as part of the claims submitted in response to the public announcement under the IBC.

18. It was contended that the Personal Guarantor namely had given an OTS letter dated 27.12.2021. On a perusal, we find that said letter was given in reference to his visit to the office of the Financial Creditor on 23.12.2021. In the letter, he explained how the investment did not produce the desired results and the Company was cheated by one Vikas Goel. This letter has a reference of an offer for an OTS sent on 07.04.2012 and finally on 21.03.2013 amounting to Rs. 400.0 Crores with a deposit of Rs. 4.0 Crores which was rejected. He explained the problems which he faced thereafter and stated that in the statement of affairs filed with the Official Liquidator, he had clearly mentioned the amounts due to the Company and in his view an amount of Rs. 350.0 Crores could be recovered if they put their concerted efforts. He was willing to disclose the details. In the said letter, there is no unequivocal acknowledgment of debt or undertaking to pay the amount by the Personal Guarantor. He had rather stated that he has not resisted a single action of SBI till date in the sale of the Company assets.

19. Extracts of the letter dated 27.12.2021,



27 December 2021

To
The Deputy General Manager,
State Bank of India,
Stressed Asset Management Branch,
Red Cross Building,
Montieth Road,
Chennai 600 008.

Dear Sir,

Thank you very much for the courtesies extended to me and for a good meeting with you and your colleagues during my visit to your office on the 23rd December 2021.

As explained by me in person, the investment made in e Sys has not produced the desired results and our company was defrauded/cheated by Vikas Goel, the promoter of eSys. I had written to the State Bank of India and other agencies through our lawyers notice dated July 7, 2012, that exposed the fraud played by Vikas Goyal and his group companies.

We had made an offer for an OTS sent on 07/04/2012 and finally on 21/03/2013 amounting to Rs.400 Crores, with a deposit of 4 crores, which was rejected.

The Official Liquidator has taken over the Teledata group of companies consequent to orders of the Hon'ble High Court Madras in Aug'2013. I have been restricted from travelling abroad all this while and as a consequence thereof I have not been able to attend to investments made in various overseas subsidiaries.

In the Statement of Affairs filed with the Official Liquidator, I had clearly mentioned the amounts due to the Companies and submitted to the OL. I have consolidated those and submitted to ED also. In my view, we can recover over Rs.350 crores if we put our concerted efforts.

With the above background, during our discussions, you have agreed to do the following :

Implead in the case filed by me against EURAM bank and ArunPanchariya- I have talked to my lawyers and they will be providing all the details of the case to your appointed lawyers- Please note that OL is also impleaded in this case, I have also requested ED also to implede in this case.

Stake your claim with OL against the Teledata group companies—Please note that M/s.Teledata Technologies Solutions Ltd (under liquidation now) has not availed any loan facilities from you, but signed as the guarantor for the loans taken by the other

1 of 2



group companies. We have also paid the OTS amount to all the three other unsecured Banks and they may not stake any claim for the monies to be realized.

Follow up with ED to

1. Bring back the money from Bangladesh which is in the bank account in the Company's name—Teledata Marine Solutions Bangladesh Ltd.
2. Securitise the six ships in Thailand in your name—I can assist in selling these ships if I am allowed to travel abroad.
3. To get the monies with bank interest from two parties from Hyderabad and Kodaikanal.

Other than these another approximately Rs.5 crores to be received from three different Government institutions. I have submitted all the RUDs(Relied Upon Documents) to ED in all the above cases.

Please note that I have cooperated with SBI in all its actions. I have not resisted a single action of SBI till date in the sale of the company assets. I look forward to working closely with SBI to ensure that the out standings are duly collected and paid over.

Yours Sincerely

K. Padmanabhan
Ex Managing Director
Agnite Education Limited and Teledata Marine Solutions Limited

20. From the said letter, it cannot be construed that there was an acknowledgment of debt by the Personal Guarantors including the Respondent herein. It is also pertinent to mention that the said letter was issued on 27.12.2021 and the debt recovery certificate was issued on 27.12.2012.

21. For the sake of arguments, even if it is presumed that there was an acknowledgment of debt in the form of an OTS, but the said letter is not within the period of three years from the date the debt became due



as provided under Section 18 of the Limitation Act, 1963. The Hon'ble Supreme Court in *Laxmi Pat Surana v. Union Bank of India* [(2021) 8 SCC 481] has clearly reiterated that acknowledgments made after the limitation period has lapsed, cannot revive or extend limitation.

22. It is true that the deed of guarantee signed by the Respondent is a continuing guarantee and the amount as per the deed was payable on demand, but in this case, as seen from the notice, the demand was made on 12.11.2010 itself thereby invoking the personal guarantee and from that date, the deed of guarantee loses its character of being a continuing guarantee which could be invoked at any time by the Financial Creditor.

23. In the light of above discussions, we are of the view that this petition filed by the Financial Creditor is barred by limitation.

24. CP(IB)/156(CHE)/2022 is accordingly **dismissed** with no orders as to cost. File be consigned to records.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

AU