



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **28.11.2024** THROUGH VIDEO CONFERENCING

---

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

---

**IN THE MATTER OF** : Indian Bank  
Vs  
G Venkateswara Rao

**MAIN PETITION NUMBER** : CP(IB)/51(CHE)2024

**(IA/MA) APPLICATION NUMBERS**

IA(IBC)/1433(CHE)2024

---

**ORDER**

Present: Ld. Counsel Ms. Dharshini for the IRP.

Vide separate order pronounced in Open Court, IRP report is taken on record and Insolvency resolution process is initiated against Shri. G. Venkateswara Rao , the personal guarantor. Shri. S.R. Sriraam Shekhar. Sugumaran is appointed as RP.

**Sd/-**

**(VENKATARAMAN SUBRAMANIAM)**  
MEMBER (TECHNICAL)

MG

**Sd/-**

**(SANJIV JAIN)**  
MEMBER (JUDICIAL)



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

**CP(IB)/51(CHE)/2024**

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

**Indian Bank, Stressed Assets Management (Large) Branch**

No.55, Ethiraj Salai, Chennai 600008

Rep by its Asst General Manager

Mr. Keshari Lal Gupta

*....Financial Creditors/Applicant*

Versus

**G.Venkateswara Rao,**

S/o. G.Chenchalal

Aged about 67 years P-NO-89,

Huda Enclave RD No.70, Journalist Colony, Jubilee Hills,

Hyderabad 500033

*....Personal Guarantor/Respondent*

*Along with*

**IA(IBC)/1433 /CHE/2024**

**In**

**CP(IB)/51(CHE)/2024**

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

**S.R. Shriraam Shekher**

11, Prayag Apartments,

15/8, Gandhi Nagar First Main Road,

Aclyar, Chennai - 600020

Applicant / Interim Resolution Professional

*.... Interim Resolution Professional/Petitioner*

Versus



**1. Mr. G. Venkateswara Rao**

P No. 89, Huda Enclave, RD  
No. 70, Journalist Colony,  
Jubilee Hills, Hyderabad - 500033

....*Personal Guarantor/Respondent No. 1*

**2. Indian Bank**

Stressed Assets Management (Large) Branch  
Represented by its Asst General Manager,  
Sri. S. Brammanandan  
No. 55, Ethiraj Salai, Chennai - 600 008

....*Financial Creditors/Respondent No. 2*

*Order pronounced on 28<sup>th</sup> November, 2024*

**CORAM :**

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

For Applicant : *T. Sundar Rajan, Advocate*  
*Bhargavi Sundar Rajan, Advocate*  
For Respondent : *Sriram Venkatavaradhan, Advocate*  
For IRP : *Vijay Vigneshwar, Advocate*

**ORDER**

*(Hearing 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 Indian Bank, Stressed Assets Management (Large) Branch (“Financial Creditor”) for initiating insolvency resolution process against G. Venkateswara Rao (“Personal Guarantor”) in respect of Principal Amount of Rs. 21,42,32,767.70/- (Rupees Twenty-One Crores Forty-Two Lakhs Thirty-Two Thousand Seven Hundred and Sixty-Seven and Paise Seventy) and interest and penalties. The Date of Default, as specified in Part-III of the present Petition, is **30.04.2018**. This Petition has been filed before this Tribunal on 01.09.2022.

2. Part – I of the Petition sets out the details of the Applicant / Financial Creditor. It has its registered office No.55, Ethiraj Salai, Chennai 600008 and is represented by its Assistant General Manager Representative, Mr. Keshari Lal Gupta. Part-II of the petition sets out the details of the Personal Guarantor. The address of the Respondent is mentioned Huda Enclave RD No.70, Journalist Colony, Jubilee Hills, Hyderabad 500033. The Respondent stood as a personal guarantor in respect of the loans availed by M/s. GVR Infra Projects Limited, the Corporate Debtor.



3. It is stated that Allahabad Bank (now merged with Indian Bank) had lent various loan facilities to the Corporate Debtor M/s. GVR Infra Projects Ltd. The Corporate Debtor had availed various credit facilities from the Allahabad Bank, including Term Loan and Working Capital limits. The Corporate Debtor had requested for restructuring of loan and was referred to the Joint Lenders Forum. The Joint Lenders Forum in the meeting held on 20.9.2016 decided to invoke the Scheme for Sustainable structuring of Stressed Assets vide RBI Circular dated 13.6.2016 and the S4A with reference date as 28.9.2016. Consequently, the exposure of the Corporate Debtor which was Rs. 2154.59 crores as on 30.9.2016 was restructured.

4. It is stated that Allahabad Bank issued the Sanction Letter dated 22.3.2017 in terms of the restructuring plan. A Master Reconstruction Agreement dated 27.3.2017 was entered into between the Corporate Debtor and the Consortium of Bankers. The Guarantor/Respondent Mr. G. Venkateswara Rao executed Deed of Guarantee dated 18.5.2017 and stood as guarantor for the facilities availed by the Corporate Debtor from the Consortium of Bankers.



5. It is stated that the Corporate Debtor defaulted in the repayment of the loan facilities and the accounts were classified as NPA on 01.05.2018. The Applicant filed an O.A. No. 350 of 2018 on 27.9.2018 before D.R.T-I, Chennai against the Corporate Debtor and the Guarantors for recovery of money.

6. It is stated that Reliance Capital Ltd filed an Application under Section 7 of the IBC,2016 to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor. The Corporate Debtor was admitted to CIRP vide order of this Tribunal in in CP/941/IB/2018 dated 15.10.2018. It is stated that during the CIRP process, the Corporate Debtor admitted its liability to the Financial Debtor on 02.11.2018. The Revised Resolution Plan pertaining to the Corporate Debtor was also approved by this Tribunal vide order dated 9.4.2021 in IA/858/18/2020. The Resolution Applicant made part payments pursuant to the Resolution Plan and the same were received and credited to the account of the Corporate Debtor on 1.7.2021, 15.9.2021 and 8.2.2022.



7. It is stated that the instant Application has been filed within 3 years from the date of approval of the Revised Resolution Plan by this Tribunal and from the dates on which resolution funds were received. Hence the above Application is well within the period of limitation.

8. It is stated that Demand Notice dated 8.4.2022 was sent to the Guarantor prior to the filing of the Guarantor Application in terms of the Rule 7(1) of the Insolvency and Bankruptcy Rules 2019.

9. 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 20.03.2024 appointed Shri. S.R. Sriram Sekar. Sugumaran 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. 1632 on 19.06.2024 vide **IA/(IBC)1433(CHE)/2024** before this Tribunal seeking to take on record the Report filed as a separate typeset as mandated under Section 99 of



the IBC, 2016 and to condone the delay of 42 days in filing the report under section 99 of the IBC.

10. It is stated that the Corporate Debtor was declared an NPA on 30.4.2018. Hence, the period of limitation would have expired by 30.4.2021. However, the Corporate Debtor was admitted to CIRP vide order dated 15.10.2018. The resolution plan was approved on 09.4.2021 and revised resolution plan was approved on 09.4.2021. The Applicant received a sum of Rs.1.76 Cr as against the admitted claim of Rs.16.26 Cr as per the approved resolution plan thereby extending the limitation period by further 3 years. Since the application has been filed on 25.08.2022 within 3 years from the date of approval of revised resolution plan by this Tribunal, the application is within period of limitation.

11. The IRP in his Report, after due examination of the application, documents filed along with the application, 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 Application by the Financial Creditor u/s. 95 of IBC, 2016.



12. On the hearing dated 20.08.2024, it was submitted that the Personal Guarantor has no objection if the insolvency proceedings be initiated against him.

13. On the hearing dated 30.08.2024 clarification was sought by this Tribunal 30.08.2024, regarding inconsistencies in the Application. As per Part III of the Application, the amount in default is Rs.21,42,32,767.70 as on 20.08.2022 and the date of default is 30.04.2018 whereas as per para 14 at page 16 of the application, the date as 22.08.2022.

14. The Applicant filed a memo vide S.R.No 4436 dated 03.09.2024. It is stated that the Date of Default of the debt is 30.4.2018 as stated in Part III of the Application and the amount due as on 20.8.2022 is Rs. 21,42,32,767.70 as stated in Part III of the Application.

15. Heard the submissions made by the Learned Counsel for the Applicant and perused the report of the IRP.



16. The IRP in his Report has recommended for the admission of the present petition by the Financial Creditor u/s. 95 of IBC, 2016.

17. 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.”*

18. The Applicant is the Personal Guarantor of the Corporate Debtor. The Guarantor failed to repay the debt due after the issuance of Demand Notice. The date of default as mentioned in the application is 30.04.2018. The instant application has been filed on 01.09.2022. The Applicant is entitled to a benefit of limitation from 15.03.2020 to 28.02.2022 as extended by *Hon'ble Supreme Court in Suo Moto W.P. (Civil) No. 3 of 2020*. Hence, the period of limitation ends on 16.04.2023. Thus, considering the date of default and the date on which the Application



has been filed, we are of the opinion that this Application is within the period of limitation.

19. In light of the aforesaid discussions, the present Application i.e. **CP(IB)/51(CHE)/2024** is admitted and the Insolvency Resolution Process stands initiated against G. Venkateswara Rao 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 1BC, 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. **Shri. S.R. Sriraam Shekhar. Sugumaran (IBBI/IPA-003/IP-N00144/2017-2018/11598) (AFA valid till 31.12.2025)**, 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 petition;
- 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 petition 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, he shall record the reasons thereof. If the Resolution Professional is of the opinion that a meeting of the creditors should be summoned, he 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 expenses. This shall be subjected to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

IX. The Registry is directed to communicate a copy of order, report and petition to the concerned parties within seven working days and upload the same on the website immediately after the pronouncement of order.

21. The report of the RP filed in **IA/IBC/1433/CHE/2024** is **taken on record**. Accordingly, **CP/IB/51/CHE/2024** stands **admitted**.

**-Sd-**

**VENKATARAMAN SUBRAMANIAM**  
Member (Technical)

**-Sd-**

**SANJIV JAIN**  
Member (Judicial)

*Hresha. S*