

**NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 14.08.2026 AT
12.00 P.M. THROUGH VIDEO CONFERENCING:**

**CORAM: SHRI. SANJIV JAIN, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : --
PETITION NUMBER : CP(IB)/163(CHE)2022
NAME OF THE PETITIONER : State Bank of India
NAME OF THE RESPONDENT(S) : V Ramachandran
UNDER SECTION : Sec 95 of IBC, 2016

ORDER

Present: Ld. Counsel Shri K.Chandrasekaran for the Petitioner.

Vide separate order pronounced in open court, Application is admitted.
PIRP is initiated against the Personal Guarantor V Ramachandran.
Shri. Mahalingam Suresh Kumar is appointed as the RP.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

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Sd/-
SANJIV JAIN
Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH – II, CHENNAI**

CP (IBC) 163/ (CHE)/ 2022

*(Filed under Section 95(1) r/w sections 96,97,99 & 100 of the Insolvency and
Bankruptcy Code, 2016 r/w Rule 7 of the National Company Law Tribunal)*

STATE BANK OF INDIA

Represented by its Assistant General Manager
Stressed Assets A Management Branch,
Red Cross Building, Montieth Road,
Egmore, Chennai – 600 008.

... Financial Creditor/ Applicant

Versus

V. RAMACHANDRAN

S/o. Shri. Balakrishna Venkataratnam,
No. 14, Blue Chariot, Arunachalam Road,
Kotturpuram, Chennai – 600 085.

*... Personal Guarantor to
Helios and Matheson Information Technology
Limited (CD)/ Respondent
Order pronounced on 14.08.2026*

CORAM

SHRI SANJIV JAIN, MEMBER (J)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (T)

Present

For Financial creditor: Mr. Raghavalu Naidu, Mr. K. Chandrasekaran, Advocates

For Resolution Professional: RP present in Person.

ORDER

(Hearing through hybrid mode)

This Application has been filed under Section 95 of the
Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as Code

IBC, 2016) read as rule 7(2) of IBC by State Bank of India, represented by its Assistant General Manager (hereinafter referred to as Financial Creditor) for initiating Insolvency Resolution Process against **V. Ramachandran** (hereinafter referred to as Personal Guarantor / PG of Helios and Matheson Information Technology Limited).

2. Part I of the Application shows the details of State Bank of India, represented by its Assistant General Manager (Financial Creditor). The registered address is located at Red Cross Building, Montieth Road, Egmore, Chennai – 600 008.

3. Part II of the Application shows the details of the Personal Guarantor/ Respondent, in respect of the credit facilities availed by the Corporate Debtor, Helios and Matheson Information Technology Limited. The address of the PG / Respondent is V. Ramachandran, No. 14, Blue Chariot, Arunachalam Road, Kotturpuram, Chennai - 600085.

4. Part III of the Application shows that Financial Creditor has given the value of total debt as Rs.62,20,69,610.12/- (Rupees Sixty Two Crore Twenty Lakh Sixty Nine Thousand Six Hundred and Ten and Paise Twelve Only) which includes interest, cost, expenses as on 26.05.2022 and the date of default is specified as 14.06.2019.

5. Part – IV of the Application gives the details of the Resolution Professional. The Financial Creditor has proposed the name of Insolvency Resolution Professional, Mr. Ramji M as the Insolvency Resolution Professional in respect of Personal Guarantor/ Respondent.

6. SUBMISSIONS OF THE APPLICANT:

6.1. It is submitted that Applicant had sanctioned a working capital facility of Rs.30 Crores and a term loan of Rs.5 Crores to the Corporate Debtor at its request. The Corporate Debtor executed the relevant loan/ hypothecation and term loan agreements dated 09.06.2014, while the Respondent, along with other guarantors, executed deeds of guarantee dated 09.06.2014 in respect of the working capital and term loan facilities.

6.2. It is submitted that the loan accounts became irregular and were classified as NPA on 30.11.2015. Consequently, O.A. No.796 of 2015 was filed before the DRT-II, Chennai against the Corporate Debtor, the Respondent and other guarantors for recovery of Rs.34,87,43,851/-. The DRT, Chennai, by order dated 12.12.2018, directed recovery of the said amount together with interest at 12% p.a. from 19.11.2015 till realization.

6.3. It is submitted that pursuant thereto, Recovery Certificate No.197 of 2019 dated 14.05.2019 was issued by the DRT-II, Chennai for a sum of Rs.47,74,26,381.82 together with interest at 12% p.a. The Recovery Officer thereafter issued demand notices dated 30.05.2019 and 12.07.2019 to the Corporate Debtor and the guarantors, including the Respondent, calling upon them to discharge the amount covered by the Recovery Certificate.

6.4. It is further submitted that the Hon'ble High Court of Madras, by order dated 21.01.2016 in C.P. Nos.143-145 of 2015, had appointed the Official Liquidator, Madras as provisional liquidator in respect of the Corporate Debtor and the said proceedings are pending.

6.5. It is submitted that the Applicant relies upon Section 19(22-A) of the Recovery of Debts and Bankruptcy Act, 1993 and submits that the Recovery Certificate issued by the DRT is deemed to be a decree or order of the Court for the purpose of initiating insolvency proceedings against the individual guarantor.

6.6. It is also submitted that, in view of the judgment of the Hon'ble Supreme Court in *Dena Bank (Bank of Baroda) v. C. Sivakumar Reddy* (2021) 10 SCC 330 (Civil Appeal No. 1650 of 2020), issuance of the

Recovery Certificate gives rise to a fresh cause of action for the purpose of limitation.

6.7. It is further submitted that in *“IN RE: Cognizance for Extension of Limitation,” (2022) 3 SCC 117*, the Hon’ble Supreme Court extending the period of limitation in view of the COVID-19 pandemic the period from 15.03.2020 to 28.02.2022 is liable to be excluded for computation of limitation. Accordingly, the present application filed on 27.05.2022, reckoning the limitation from the date of the Recovery Certificate dated 14.05.2019, is within the prescribed period.

6.8. It is submitted that a sum of Rs.62,20,69,610.12 was due and payable by the Respondent as on 26.05.2022, inclusive of interest, costs and expenses. The Applicant has relied upon the statement of account, certificate issued under the Bankers’ Books Evidence Act and the memo of calculation filed along with the application in support of the outstanding debt.

6.9. It is further submitted that the loan agreements, deeds of guarantee, DRT order dated 12.12.2018, Recovery Certificate dated 14.05.2019, demand notices issued by the Recovery Officer and CIBIL

report as documents evidencing the existence of the debt and the default have been furnished.

6.10. It is submitted that the Applicant has proposed Mr. Ramji M, Insolvency Professional, as Resolution Professional, who has furnished his written consent and requisite declarations as mandated under the Code and Regulations.

7. APPOINTMENT OF RESOLUTION PROFESSIONAL:

This Tribunal vide order dated 12.08.2022 appointed **Mr.Narayanaswamy Nageswaran** with registration number **IBBI/IPA-001/IP-P-01491/2018-2019/12284** and ordered to examine whether the company petition is as set out in Section 97(6) of IBC, 2016. Since, it was observed that the appointed IRP was not available in India, the Applicant sought for the appointment of the proposed IRP, **Mr. Ramji M**. Hence, this Tribunal vide order dated 12.12.2023, appointed **Mr. Ramji M** having Registration No. **IBBI/IPA-001/IP-P01507/2018-2019/12258 (Email: yahooramji@gmail.com)** as new IRP.

8. REPORT OF THE RESOLUTION PROFESSIONAL:

8.1. Resolution Professional submitted the report dated 22.01.2024 before this Tribunal with the following submission:

“Under the above facts and circumstances, this Tribunal may be pleased to -

- 1) Take on record the Report filed under section 99 of the Code by the Applicant Resolution Professional and pass an order approving the Application filed u/s 95 of the Code by the Creditor - SBI; AND*
- 2) Pass such further orders / reliefs as this Tribunal may deem fit and expedient under the circumstances of the case and thus render justice.”*

8.2. Further, it is stated that the report has been filed in compliance with Section 99 of the IBC Code. It is apparent that the report filed is regard to initiation of insolvency resolution process against the Respondent/ PG Mr. V. Ramachandran, personal guarantor to M/s. Helios and Matheson Information Technology Limited.

8.3. Observations in the report filed under Section 99 of the code are as follows:

i. Details of debt:

Sl. No.	Particulars	
	Outstanding Claim	Principal with Interest and other penalties as on 26.05.2022 is Rs.62,20,69,610.12/- (Rupees Sixty Two Crore Twenty Lakh Sixty Nine Thousand Six Hundred and Ten and Paise Twelve Only)
2	Documents establishing Personal Guarantor's Liability	1. Statement of Accounts from NPA to 27.04.2022 2. Agreement of Hypothecation of Goods and Assets dated 09.062014 3. Agreement of for overall Working Capital Limit dated 09.062014 4. Deed of Guarantee for overall Working

		capital limit 09.06.2014. 5. Deed of Guarantee Term Loans dated 09.06.2014. 6. Term Value Agreement for High Value Advances dated 09.06.2014. 7. Order dated 12-12.2018 Passed by the Hon'ble Debt Recovery Tribunal, Chennai. 8. Debt Recovery Certificate issued by Hon'ble DRT 2 Chennai, as 197/2019 dated 14.05.2019. 9. Order issued in IA No.77&2015 OA dated 28.12.2015.
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ii. Compliance under Section 95 of IBC

Sec No.	Details of the Sections	Compliance
95 (4)	An application under sub-section (1) shall be accompanied with details and documents relating to - (a) the debts owed by the debtor to the creditor or creditors submitting the application insolvency for resolution process as on the date of application; (b) the failure by the debtor to pay the debt within period of a fourteen days of the service of the notice of demand; and 98. (c) Relevant evidence of such default or non-repayment of debt	The captioned Petition filed satisfies the requirements as set out in section 95. • The debts are owed by the debtor to creditor and Loan the relevant Agreement, and the Guarantee Deeds were attached with this application to ascertain the debts owed from debtor to creditor. • The Demand Notice was served to and DRT case was filed against the Personal Guarantors and no payment was made till date. • The Bank's (Creditor) statements were verified.

95 (5)	The creditor shall also provide a copy of the application made under sub-section (1) to the debtor	The Applicant Creditor State Bank of India, through their counsel served a copy of the application to the Personal Guarantors.
95 (6)	The application referred to in sub-section (1) shall be in such form and manner and accompanied by such fee as may be prescribed.	Paid
95 (7)	The details and the documents required to be submitted under sub – section (4) shall be such as may be specified.	The following documents were attached to the Application: 1. Statement of Accounts from NPA to 27.04.2022 2. Agreement of Hypothecation of Goods and Assets dated 09.062014 3. Agreement of for overall Working Capital Limit dated 09.062014 4. Deed of Guarantee for overall Working capital limit 09.06.2014. 5. Deed of Guarantee Term Loans dated 09.06.2014. 6. Term Value Agreement for High Value Advances dated 09.06.2014. 7. Order dated 12-12.2018 Passed by the Hon'ble Debt Recovery Tribunal, Chennai. 8. Debt Recovery Certificate issued by Hon'ble DRT 2 Chennai, as 197/2019 dated 14.052019. 9. Order issued in IA No.77&2015 OA dated 28.122015.

8.4. The resolution professional in the report has recommended to initiate insolvency resolution process against PG/ Respondent and relevant portion is extracted below:

“6. Recommendation — Adjudication Authority may be pleased to pass appropriate order u/s 100 of IBC, 2016 for admission of the application.”

9. FINDINGS OF THIS TRIBUNAL:

9.1. Heard the submissions made by the Learned Counsel for the both the parties and perused the documents submitted on record and report submitted by the Resolution Professional.

9.2. The Resolution Professional in his report has observed that the SBI/ Financial Creditor has satisfied the requirement as set out in Section 95 of IBC, 2016. He has accordingly recommended for admission of the present application.

9.3. The present application has been filed by the Financial Creditor under Section 95 of the Insolvency and Bankruptcy Code, 2016, against the Respondent, who stood as Personal Guarantor for the financial facilities availed by Helios and Matheson Information Technology Limited, the Corporate Debtor.

9.4. It is seen from the order dated 16.07.2024 that, despite sufficient opportunity, the Respondent failed to file his reply. Accordingly, his right to file reply was closed and he was set ex parte. The matter was thereafter heard and the pleadings were recorded as complete. Thus,

the Application remains substantially uncontroverted on behalf of the Respondent.

9.5. The records disclose that the Financial Creditor had sanctioned working capital facilities of Rs.30 Crores and a term loan of Rs.5 Crores to the Corporate Debtor, for which the Respondent had executed deeds of guarantee dated 09.06.2014. The loan accounts were classified as NPA on 30.11.2015. Proceedings were thereafter initiated before the DRT-II, Chennai in O.A. No.796 of 2015, wherein an order dated 12.12.2018 came to be passed directing recovery of Rs.34,87,43,851/- together with interest at 12% p.a. from 19.11.2015 till realization. Pursuant thereto, Recovery Certificate No.197 of 2019 dated 14.05.2019 was issued for Rs.47,74,26,381.82/- together with further interest.

9.6. The Financial Creditor has placed on record the loan documents, deeds of guarantee, the order of the DRT, Recovery Certificate, demand notices and statement of account. The amount claimed as due and payable by the Respondent as on 26.05.2022 is stated to be Rs.62,20,69,610.12/-. The aforesaid documents, coupled with the absence of any rebuttal from the Respondent, establish the existence of the debt and the default.

9.7. Insofar as limitation is concerned, the Financial Creditor has relied upon the Recovery Certificate dated 14.05.2019 and the judgment of the Hon'ble Supreme Court in *Dena Bank (Bank of Baroda) v. C. Sivakumar Reddy*. The period directed to be excluded by the Hon'ble Supreme Court in view of the COVID-19 pandemic is also required to be taken into consideration. Accordingly, the Application filed on 27.05.2022 is found to be within the period of limitation.

9.8. The Financial Creditor has also filed a memo with regard to the jurisdiction of this Tribunal. In this regard, Section 60(1) of the Code provides that the Adjudicating Authority for insolvency resolution and liquidation of a corporate person, including insolvency resolution of personal guarantors thereof, shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of the corporate person is located. The registered office of the Corporate Debtor being within the jurisdiction of this Tribunal, the present Application is maintainable before this Bench. The position has also been clarified by the Hon'ble Supreme Court in *Mahendra Kumar Jajodia v. State Bank of India, (Civil Appeal Nos. 1871–1872 of 2022)* wherein it was held that an application under Section 95 cannot

be rejected merely because proceedings against the Corporate Debtor are not pending before the same Adjudicating Authority.

9.9. It is also relevant to note that during the pendency of the present proceedings, the then Resolution Professional, **Mr. Ramji Mahadevan**, expressed his inability to continue due to personal exigencies. Thereafter, upon an application filed under Section 98 of the Code, this Tribunal, by order dated **10.12.2024**, appointed **Mr. Mahalingam Suresh Kumar** as the Resolution Professional in respect of the insolvency resolution process of the Respondent/ Personal Guarantor and directed the outgoing Resolution Professional to hand over all necessary information and extend complete cooperation to the newly appointed Resolution Professional.

9.10. The Resolution Professional considered the materials available on record and has recommended initiation of the insolvency resolution process against the Respondent/ Personal Guarantor. The recommendation of the Resolution Professional, read with the documents produced by the Financial Creditor, establishes the existence of the debt, the default and the liability of the Respondent under the

guarantees furnished by him. There is no material placed before us by the Respondent to rebut the same.

9.11. It is noted that U/S. 128 of the Indian Contract Act, 1872, when a default is committed, the Principal Borrower and Surety are jointly and severally liable to Creditor and the Creditor has the 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.”

9.12. The Respondent is the Personal Guarantor of the Corporate Debtor for the Loan and credits which it availed from the SBI/ Financial Creditor. The Corporate Debtor and Personal Guarantor failed to repay the Loan after the issuance of Demand Notice. The liability of the personal guarantor is co-extensive with the corporate debtor, as expressly provided under section 128 of the Indian contract act 1872, as the personal guarantor’s liability is through an independent contract. The Resolution Professional has also recommended for initiation of Insolvency Resolution Process against the Respondent/ Personal Guarantor.

9.13. In view of the foregoing discussion, and having regard to the subsisting debt and default, the guarantees executed by the Respondent, the Recovery Certificate issued by the DRT, the Application being within limitation, the jurisdiction of this Tribunal, the Respondent having been set ex parte and the recommendation of the Resolution Professional, this Tribunal is satisfied that the Application **CP(IBC)163/(CHE)2022** filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 deserves to be admitted. The Insolvency Resolution Process stands initiated against **V. Ramachandran** viz. the Personal Guarantor/ Respondent in this Application. We hereby direct as follow: -

- 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. We hereby appoint **Mahalingam Suresh Kumar**, as the Resolution Professional (**email Id: msureshkumar@icai.org**) and Reg. No. **IBBI/IPA-001/IP-P00110/2017-2018/10217** with valid AFA till **31.12.2026**.

iii. The Resolution Professional viz. **Mahalingam Suresh Kumar** 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.
- iv. 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 reside. The Resolution Professional shall furnish two spare copies of the notice to the Registry for the record.
- v. 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.
- vi. The repayment plan may authorise 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. administer or dispose of any funds of the debtor.
- vii. 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.
- viii. 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.
- ix. 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.

x. 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.

xi. The Resolution Professional shall submit his periodic reports before this Tribunal, every 30 days.

xii. The Financial Creditor(s) are directed to deposit Rs.2,00,000/- (Rupees Two lakhs only) 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.

xiii. The Registry is directed to communicate the 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.

10. Accordingly, the Application **CP(IB)163/(CHE)2022** stands **admitted**.

-Sd/-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)