

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
19-12-2025 AT 11:00 A.M.**

**Company Petition IB/88/2021
AND
IA (IBC) 534/2025 in Company Petition IB/88/2021
u/s. 95 of IBC, 2016**

IN THE MATTER OF:

L&T Finance Ltd

...Petitioner

AND

Mr. Tikkavarapu Venkatarami Reddy &
Deccan Chronicle Holdings Ltd

...Respondent

C O R A M:-

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

ORDER

IA (IBC) 534/2025

Present: Mr. V Aneesh, Learned Counsel for the Applicant.

Orders pronounced, recorded vide separate sheets.

In the result, this IA (IBC) 534/2025 is allowed and disposed of.

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH – I, HYDERABAD.**

IA.No.534 of 2025

C.P. (IB) NO. 88/95/HDB/2021

Under Section 123 r/w 60(2) of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019

**IN THE MATTER OF M/s.DECCAN CHRONICLE HOLDINGS
LIMITED**

Between:

L & T Finance Limited,
Represented by its Authorised Signatory, Shivangi Agarwal,
Having its Registered and Corporate Office at:
Brindavan, Plot No.177, C.S.T Road,
Kalina, Santacruz (East), Mumbai 400098.

..... **Applicant/Financial Creditor**

AND

Tikkavarapu Venkatram Reddy,
703/A/6/C, Road No.12, Banjara Hills,
Hyderabad-500034.

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

M/s. Deccan Chronicle Holdings Limited,
36, Sarojini Devi Road,
Secunderabad, Hyderabad 500003.

... **Respondent No.2/Corporate Debtor**

Date of order: 19.12.2025

Coram: -

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

Appearance: -

For Applicant : - Mr. V. Aneesh, Advocate.

For Personal Guarantor : - Ms. Rithika Reddy, Advocate.

PER: BENCH

ORDER

1. This present application is filed by the Applicant/Financial Creditor under Section 123 r/w 60(2) of the Insolvency and Bankruptcy Code, 2016 (*hereafter referred as IBC,2016*) r/w Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 *inter alia*, seeking the initiation of the Bankruptcy Process against **Mr. Tikkavarapu Venkatarami Reddy**, (*herein after referred as the Respondent No. 1,/the Personal Guarantor*), to the M/s Deccan Chronicle Holdings Limited, (*herein after referred as Respondent No. 2/Corporate Debtor*), for an outstanding sum of Rs.75,60,58,802.57/- as on 01.12.2023, till the date of realization.

2. **The brief averments of the Applicant:**

2.1 It is averred that the Petitioner is a Financial Creditor of the Corporate Debtor and the outstanding debt arises from a term loan granted to Deccan Chronicle Holdings Ltd. The Corporate Debtor/Respondent No. 2 was the principal borrower and had availed term loan of Rs.25 Crores, vide sanction letter dated 10.05.2013, from the Financial Creditor.

2.2 Pursuant thereto, on 13.05.2011, the Petitioner and the Corporate Debtor had executed a Facility Agreement along with a Demand Promissory Note in favour of Petitioner herein. To secure the said loan, a simple mortgage deed dated 20.05.2011, and a Personal Guarantee dated 13.05.2011 was executed by the Respondent. Accordingly, the liability of the Personal Guarantor towards the Petitioner arises from the personal guarantee furnished to secure the said debt.

2.3 Subsequently, since no payment has been made by the Personal Guarantor, and his continued default under the Facility Agreement and the Deed of Personal Guarantee constitutes a financial debt under the IBC. Consequently, Mr. P. Venkatram Reddy, as the Personal Guarantor, is a debtor and the debt has become due and payable to the Financial Creditor.

2.4 Owing to the default of the Corporate Debtor, an arbitral award dated 15.03.2013, directed the Corporate Debtor and the Personal Guarantor to jointly and severally pay Rs.25,02,61,350/- along with an interest at 15% per Annum from 21.07.2012, along with costs of Rs.1,50,000/- to the Applicant. The execution proceedings vide Execution Application No.2286 of 2015, was also filed and pending before the Hon'ble High Court of Bombay for recovery of money awarded.

2.5 Subsequently, the Petitioner had filed a Company Petition CP.(IB).No.41/07/HDB/2017, under Section 7 of IBC against the Principle Borrower, Deccan Chronicle Holdings Limited. The said Petition was admitted by this Tribunal on 19.07.2027 and Mr.Koteswara Roa was appointed as an IRP. Subsequently, Mr.Mamta Binani was appointed as the Resolution Professional on 08.02.2018.

2.6 That this Tribunal vide order dated 03.06.2019 in IA.No.66 of 2019, approved the Resolution Plan submitted by SREI Multiple Assets Investments Trust-Vision India Fund in respect of the principal borrower-Deccan Chronicle Holdings Limited.

2.7 However, as the Applicants debt was not fully resolved under CIRP, pursuant to the Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor Rules, 2019, the Applicant had issued a Demand Notice dated 20.01.2020, to the Personal Guarantor demanding the payment of the default amount.

2.8 Since no repayment was made, the Applicant filed a Petition CP (IB) No. 88/95/HDB/2021, under Section 95 of the IBC, for initiation of the Individual Insolvency Resolution Process against the Personal Guarantor. This Tribunal passed an interim moratorium and appointed an Interim Resolution Professional on 23.07.2021, under Section 97(5) with directions to submit a report within 10 days under Section 99.

2.9 Subsequently, on 05.08.2021, the Interim Resolution Professional filed the said report and recommended admission of the Application under Section 95 of the IBC. Consequently, vide order dated 24.06.2022, this Tribunal admitted the Petition under Section 100 and declared a moratorium under Section 101.

2.10 Consequently, the Personal Guarantor has filed a Company Appeal (AT) (Ins) 383 of 2022, before National Company Law Appellate Tribunal, challenging the order of this Tribunal dated 24.06.2022. The said Appeal is pending before the Hon'ble Appellate Tribunal.

2.11 Pursuant thereto, as the Personal Guarantor failed to submit any Repayment plan, the Resolution Professional filed I.A. No. 744/2024. This Tribunal, vide order dated 12.11.2024, disposed of the application, observing that since no repayment plan was submitted, there remained no scope for resolving the insolvency of the Personal Guarantor. Consequently, the insolvency proceedings were closed, with liberty granted to the Financial Creditor to initiate proceedings under Section 123 of the IBC, 2016. The Resolution Professional was accordingly discharged.

2.12 In the aforesaid facts and circumstances, the present application is filed on 10.03.2025, for initiation of Bankruptcy Proceedings against the Personal Guarantor under Section 123 of the IBC, 2016, read with Rule 7 of Rules, 2019, to initiate Bankruptcy Process against the Personal Guarantor to the Corporate Debtor.

3. **Brief of Respondent:**

- 3.1. It is submitted that all the averments made by the Applicant are denied in entirety as false, except those specifically admitted herein. The Applicant herein had earlier filed C.P. (IB) No. 213/95/HDB/2021, under Section 95 of the IBC, ought not to have admitted the claim of the Petitioner for insolvency resolution process against the Personal Guarantor.
- 3.2. It is submitted that this Tribunal lacks jurisdiction to entertain personal insolvency or bankruptcy proceedings against the Respondent. Part II of the Code governs insolvency resolution and liquidation of corporate persons before the NCLT, whereas Part-III deals with insolvency resolution and bankruptcy of individuals and partnership firms. Under Section 5(1) of IBC, the Hon'ble NCLT is the Adjudicating Authority for matters under Part-II.
- 3.3. A conjoint reading of Sections 79, 179, and Rule 3 of the Personal Guarantor Rules makes it clear that the DRT is the Adjudicating Authority for personal guarantor matters unless Section 60(2) applies. Section 60 permits the NCLT to exercise powers under Part III only when insolvency or liquidation proceedings of the Corporate Debtor are pending before it, to ensure a unified forum and avoid multiplicity of proceedings.
- 3.4. Once CIRP or liquidation of the Corporate Debtor has concluded, this rationale ceases, and any personal insolvency action becomes a mere recovery exercise, which the NCLT is not empowered to conduct. Judicial precedents, including *Lalit Kumar Jain v Union of India*, (2021) 9 SCC 321, and *Embassy Property Developments Private Limited v State of Karnataka*, (2020) 13 SCC 308, affirm that the NCLT's jurisdiction over personal guarantors arises only when CIRP of the Corporate Debtor is

pending. Accordingly, personal insolvency proceedings in the present case do not fall within the jurisdiction of this Hon'ble Tribunal.

- 3.5. It is submitted that CP (IB) No. 88 of 2021, is filed under Section 95 of the IBC, which falls under Part III governing insolvency and bankruptcy of individuals and partnership firms. Under Section 79(1), the Adjudicating Authority for such matters is the DRT, unless Section 60(2) is attracted i.e., only when insolvency or bankruptcy proceedings against the Corporate Debtor are *pending* before the NCLT. Once CIRP or liquidation proceedings conclude, Section 60(2) no longer applies, and all Part III applications must be filed before the DRT.
- 3.6. In the present case, insolvency proceedings against the Corporate Debtor in CP (IB) 41/7/HDB/2017 attained finality with the approval of the Resolution Plan on 03.06.2019, and no proceedings remain pending; therefore, the present application before this Tribunal is not maintainable. Further, the Petitioner's claim stands fully admitted and settled under the approved Resolution Plan, which binds both the Corporate Debtor and its Personal Guarantor.
- 3.7. The Petitioner has suppressed the amounts received under the Plan and is effectively attempting a prohibited "double dip," as any further demand after discharge of debt is legally barred. Accordingly, the instant proceedings, based on an untenable and legally impermissible claim, are liable to be dismissed. In light of the above circumstances, The Respondent no.1 prayed this Tribunal to dismiss the present Application in the interest of justice.
3. In the light of the contest put forth as above, the point that emerges for the consideration of this Tribunal is:

Whether the present application under section 121 of Insolvency and Bankruptcy Code, 2016, can be admitted, and Bankruptcy Proceedings against the Personal Guarantor of the Corporate Debtor, be ordered?

4. We have heard Ld Counsel Mr. V. Aneesh, for the Applicant, and Ld. Counsel Ms. Rithika Reddy for the Respondent, and perused the records.

Our Findings:

5. It is noted that the total dues of the Corporate Debtor, along with interest and other applicable charges amounts to Rs.75,60,58,802.57/-. This fact has not been denied in the counter filed by the Personal Guarantor in the present Application.
6. Further, in CP(IB)No.88/95/HDB/2021, this Tribunal has passed an interim moratorium and appointed an Interim Resolution Professional on 23.07.2021. Pursuant thereto, on 05.08.2021, the Interim Resolution Professional submitted report under Section 99 of IBC and the same was admitted vide order dated 24.06.2022, by this Tribunal under section 100 of IBC and declared a moratorium under Section 101.
7. On 27.11.2023, the RP shared the list of creditors with the Personal Guarantor and sought necessary information for preparing the Repayment Plan. Although the Personal Guarantor requested an extension on 30.11.2023, he provided only partial and incomplete information on 09.12.2023. Pursuant thereto, the RP directed him to furnish complete details by 12.12.2023, but no response or information was submitted.
8. Subsequently, in the creditors' meeting held on 09.01.2024, a final opportunity was granted to submit the Repayment Plan by 22.01.2024. As the Personal Guarantor failed to comply, the Committee of Creditors, in its

meeting dated 23.01.2024, instructed the RP to approach the NCLT for further directions to enable the creditors to initiate the bankruptcy process.

9. Consequently, the Resolution Professional filed report vide IA.no.744 of 2024, stating that despite being given sufficient opportunity, the Personal Guarantor failed to submit any repayment plan, prompting the creditors to resolve to initiate Bankruptcy Proceedings against the Personal Guarantor. Thus, this Tribunal by order dated 12.11.2024, allowed the said application and permitted the creditors to proceed with the Bankruptcy Proceedings against the Personal Guarantor.
10. We further note that the counter of the Personal Guarantor merely denied the averments of the Applicant. However, the Personal Guarantor has not furnished any valid reason for failing to propose an appropriate repayment plan for the outstanding debt.
11. Consequently, this Authority, vide order dated 12.11.2024, permitted the Applicant/Financial Creditor to file an appropriate Application under Section 123 of the IBC, 2016.
12. At this Juncture, we usefully refer the provision of Section 121 and Section 123 IBC, 2016, which was reproduced below:

“Section 121: Application for Bankruptcy:

(1) An application for bankruptcy of a debtor may be made, by a creditor individually or jointly with other creditors or by a debtor, to the Adjudicating Authority in the following circumstances, namely;

(a) where an order has been passed by an Adjudicating Authority under sub-section 4 of section 100; or

(b) where an order has been passed by an Adjudicating Authority under sub-section 2 of section 115; or

(c) where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.

(2) An application for bankruptcy shall be filed within a period of three months of the date of the order passed by the Adjudicating Authority under the sections referred to in sub-section (1).

(3) Where the debtor is a firm, the application under sub-section (1) may be filed by any of its partners.”

“Section 123: Application by creditor :-

(1) The application for bankruptcy by the creditor shall be accompanied by—

(a) the records of insolvency resolution process undertaken under Chapter III;

(b) a copy of the order passed by the Adjudicating Authority under Chapter III permitting the creditor to apply for bankruptcy;

(c) details of the debts owed by the debtor to the creditor as on the date of the application for bankruptcy; and

(d) such other information as may be prescribed.

(2) An application under sub-section (1) made in respect of a debt which is secured, shall be accompanied with-

(a) a statement by the creditor having the right to enforce the security that he shall, in the event of a bankruptcy order being made, give up his security for the benefit of all the creditors of the bankrupt; or

(b) a statement by the creditor stating-

(i) that the application for bankruptcy is only in respect of the unsecured part of the debt; and

(ii) an estimated value of the unsecured part of the debt.

(3) If a secured creditor makes an application for bankruptcy and submits a statement under clause (b) of sub-section (2), the secured and unsecured parts of the debt shall be treated as separate debts.

(4) The creditor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.

(5) An application for bankruptcy under sub-section (1), in case of a deceased debtor, may be filed against his legal representatives.

(6) The application for bankruptcy shall be in such form and manner and accompanied by such fee as may be prescribed.

(7) An application for bankruptcy by the creditor shall not be withdrawn without the permission of the Adjudicating Authority.”

13. In view of the above provision, it is observed that in the absence of a repayment plan filed by the Personal Guarantor, the Resolution

Professional could not proceed with preparing or submitting the report as required under Section 105 and 114 of the Code. This failure is treated as equivalent to the rejection of the repayment plan, as contemplated under Section 115(2) of the IBC.

14. Considering the above circumstances, and there being no repayment plan submitted by the Personal Guarantor or any material indicating resolution of the insolvency, this Tribunal finds it just and proper to order the commencement of bankruptcy proceedings against the Personal Guarantor in accordance with the provisions of the IBC, 2016.

ORDER

15. In the result, **Mr. Tikkavarapu Venkata Reddy**, D.No.703/A/6/C, Road No.12, Banjara Hills, Hyderabad-500034, Personal Guarantor/Respondent no.1 hereby ordered to be Bankrupt.
16. Hence, as proposed by the Applicant **Ms. Renuka Devi Rangaswamy**, having IBBI/IPA-001/IP-P-01863/2019-2020/12871, residing at Arthi illam, #9, Jothi Nagar, 3rd Street, Uppili palayam (Post), Coimbatore-641015, Phone no: 9443027751, email: jrassociatescbe@gmail.com, to be appointed as Bankruptcy Trustee. Her Form-A written consent was given on 03.02.2025, and IBBI Registration is valid till 31.12.2025.
17. The said Resolution Professional also has given the declaration in Part-IV of the petition. Hence, we hereby appoint the Insolvency Professional Ms. Renuka Devi Rangaswamy, as Bankruptcy trustee under Section 125 of the IBC, 2016.
18. The registry is directed to provide the copy of this bankruptcy order and copy of the bankruptcy petition to the creditors and bankruptcy trustee within a week as provided under Section 126 (2) of Code, 2016, and this

bankruptcy order shall continue to have effect till the debtor is discharged under Section 138 of Code, 2016.

19. The bankrupt shall submit his statement of financial position to the bankruptcy trustee in the prescribed Form as provided under Section 129 of IBC, 2016, within seven days from the date of the order.
20. The estate of the bankrupt excluding the assets mentioned in Section 155(2) of Code r/w Rule 5 of Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019, vest with the bankrupt trustee in pursuance of this order, the Bankruptcy trustee is directed to forthwith take into his custody all the assets, Properties, and actionable claims of the Bankrupt immediately from the date of his appointment and take necessary steps to ensure preservation, protection security and maintenance of those properties as provided under section 128 and 154 of IBC, 2016.
21. The Bankruptcy trustee is directed to adhere to Section 128, 129 (4), 132, 133, 134, 136 and 137 of IBC, 2016 and discharge his powers and duties as specified and meticulously adhere to the Rules and Regulations issued by IBBI in this regard from time to time.
22. The Bankrupt trustee for the Adjudicating Authority shall send notices as provided under section 130(a) of IBC, 2016, within ten days from the date of this order to the creditors mentioned in statement of affairs submitted by the Bankrupt under Section 129 of Insolvency and Bankruptcy Code, 2016.
23. Further, issue the Public Notice inviting claims from the creditors as contemplated under Section 130(2) of the Code, 2016, shall be issued in one morning, English daily and in one morning vernacular regional language newspapers having wide circulation where the Bankrupt resides.

24. On passing of the bankruptcy order, subject to Section 128(2) of the Code, 2016, shall not initiate any action against the property of the bankrupt in respect of debt and no suit or other legal proceeding shall be initiated against the bankrupt, save and except with the leave of the Adjudicating Authority as provided in Section 128 (1)(C)(ii) of the IBC, 2016.
25. The Bankruptcy Trustee shall conduct the administration of distribution of the estate of the bankrupt under chapter V as provided in Section 136 of IBC, 2016.
26. The Bankrupt shall from the date of the order be subject to such disqualifications and restrictions as prescribed under section 140 and 141 of IBC, 2016.
27. The Bankruptcy Trustee may seek such further information or explanation in connection with bankruptcy process as may be required from the debtor or the creditor or any other person who in the opinion of the Bankruptcy Trustee, may provide such information. The persons from whom information or explanation is sought shall furnish such information or explanation within seven days of receipt of the request and the Bankruptcy Trustee shall exercise all the powers as enumerated under the IBC, 2016 read with rules and regulations made thereunder.
28. The Bankruptcy Trustee shall submit to this Adjudicating Authority and committee a preliminary report within ninety days from this date of Bankruptcy order after serving copy of the report on bankrupt as provided in Regulation 8 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
29. The Bankruptcy Trustee shall submit to this Authority periodical progress report within fifteen days after the end of every quarter after serving copy of the report on the bankrupt provided under Regulation 10 of Insolvency

and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.

30. The fee of bankruptcy trustee to be determined as provided under Regulation 4 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
31. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
32. A certified copy of the order is to be issued upon compliance with requisite formalities.

Sd

Sanjay Puri

Member (Technical)

Sd

Rajeev Bhardwaj

Member (Judicial)