

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 1944 of 2026

IN THE MATTER OF:

Canara Bank

...Appellant(s)

Versus

Karan A Chanana

...Respondent(s)

Present:

For Appellant(s) : Mr. Hitesh Sachar, Ms. Anju Jain & Ms. Anjali Pandey,
Advocates

For Respondent(s) : Appearance not marked

O R D E R
(Hybrid Mode)

12.10.2026 We have heard Shri Hitesh Sachar, Learned Counsel for the Appellant, and perused the record.

It has been informed that the Respondents have been served in advance. However, none of the Respondents is represented before us.

Learned Counsel for the Appellant has drawn our attention towards the impugned order and submits that the Learned Adjudicating Authority has dismissed the application filed by the Appellant Bank under Section 95 of the Insolvency and Bankruptcy Code, 2016, for recovery of the total debt amounting to approximately Rs. 425 crores, solely on a technical issue i.e., non-invocation of the personal guarantee.

It is vehemently submitted that the issue of non-invocation of the personal guarantee was never even raised by the Respondent and the Learned Adjudicating Authority has assumed the same without providing any opportunity of being heard to the Appellant.

It is further submitted that, had the issue of alleged non-invocation of the guarantee had been flagged by the Learned Adjudicating Authority the Appellant would have satisfied the Learned Adjudicating Authority with regard to the invocation, however, no such opportunity has been given.

It is further submitted that the impugned order has been passed on technicality and without providing any opportunity of being heard on the issue of non-invocation of the personal guarantee to the Appellant.

We have heard Learned Counsel for the Appellant and perused the record.

It appears, prima facie, that the issue of non-invocation of personal guarantee was not highlighted by the Respondent and the same appears to have been taken suo motu by the Learned Adjudicating Authority. The main grievance of the Appellant appears to be that had the Appellant been given an opportunity the Appellant would be in a position to satisfy the Learned Adjudicating Authority with regard to the invocation of the personal guarantee.

Be that as it may, we find prima facie case in favour of the Appellant.

Issue notice to the Respondents. Steps in this regard be taken within three working days from today.

Accordingly, list this appeal on **06.11.2026**, under the caption “After Notice”.

It is provided that till the next date of listing the impugned order shall remain in stayed.

We further provide that, till the next date of listing, the Respondent shall not dispose of or create any third party interest with regard to the properties owned by him.

[Justice Mohammad Faiz Alam Khan]
Member (Judicial)

KS/BB

[Naresh Salecha]
Member (Technical)