

IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH-I, CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **28.04.2026** THROUGH VIDEO CONFERENCING

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

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**IN THE MATTER OF** : State Bank of India  
Vs  
M Ravichandran

**MAIN PETITION NUMBER** : CP(IB)/105(CHE)/2022

**(IA/MA) APPLICATION NUMBERS**

IA(IBC)/355(CHE)2024

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**ORDER**

**CP(IB)/105(CHE)/2022**  
**IA(IBC)/355(CHE)2024**

Present: Shri. R. Sugumaran, Ld. Counsel for the Petitioner.  
Shri. Sankaran Rajagopalan, IRP in person.  
None for the Personal Guarantor.

The report of the IRP filed vide IA/355/2024 is taken on record and the application is disposed of.

Vide common order pronounced in the Open Court, the petition is admitted.

Insolvency proceeding is initiated against the Personal Guarantor, M. Ravichandran.

Shri. Sankaran Rajagopalan is appointed as the IRP.

Sd/-  
**[VENKATARAMAN SUBRAMANIAM]**  
MEMBER (TECHNICAL)

Sd/-  
**[SANJIV JAIN]**  
MEMBER (JUDICIAL)

vs

Date: 28.04.2026

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

**CP(IB)/105(CHE)/2022**

*(Filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016)*

**State Bank of India,**  
Stressed Asset Management Branch,  
No.1112, Raja Plaza,  
Coimbatore-641 037

*....Petitioner/Financial Creditor*

Versus

**M. Ravichandran,**  
S/o. (Late) Meenakshi Sundaram,  
No.3C, 3<sup>rd</sup> Cross, Lakshmipuram.  
Ganapathy, Coimbatore-641 006

*....Respondent/Personal Guarantor*

Present:

*For Petitioner* : *Mr. R. Sugumaran, Advocate*  
*Ms. S. Vaiduriya, Advocate*  
*For Respondent* : *Mr. Pravin, Advocate*  
*Mr. Nikhil Gupta, Advocate*

ALONG WITH

**IA/355(CHE)/2024**

**in**

**CP(IB)/105(CHE)/2022**

*(Filed under Section 60(5) r/w Section 99 of the Insolvency and  
Bankruptcy Code, 2016)*

**R. Sankaran,**  
Interim Resolution Professional of Mr. M. Ravichandran  
5, First Floor, Vyasara Street,  
T. Nagar, Chennai-600017

*....Applicant*

**Present:**

*Mr. R. Sankaran, IRP in person.*

**CORAM:**

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

*Order Pronounced on 28<sup>th</sup> April, 2026*

**COMMON ORDER**

*(Heard through Video Conferencing)*

This petition under Section 95 of IBC, 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 has been filed by **State Bank of India, Stressed Asset Management Branch** against **Mr. M. Ravichandran (Personal Guarantor)** who stood guarantee for the loan facilities availed by the Corporate Debtors, Suryabalaji Steels Private Limited and Sri Padmabalaji Steels Private Limited from State Bank of India. The prayer made in the petition is to initiate insolvency resolution process against the Personal Guarantor.

2. **Part-I** of the petition sets out the details of the Petitioner, State Bank of India. It was incorporated on 01.07.1955. **Part-II** of the petition sets out the details of the Personal Guarantor,

M. Ravichandran. He has been living at No.3 C, 3<sup>rd</sup> Cross, Lakshmipuram Ganapathy, Coimbatore-641 006.

3. **Part-III** of the petition sets out the details of the creditor, State Bank of India. The amount of debt is stated as Rs.223.85 Crores and date of default is stated as 20.02.2021. Demand Notice under the SARFAESI Act was issued on 02.01.2015.

4. Briefly the facts are that the Corporate Debtors, Suryabalaji Steels Private Limited and Sri Padmabalaji Steels Private Limited availed various credit facilities from the Petitioner/Financial Creditor, State Bank of India vide Facility Agreement Letters dated 28.10.2013 and 20.08.2010 respectively. The Respondent/Personal Guarantors signed the Personal Guarantee Agreements dated 28.10.2013 and 20.08.2010 respectively to secure the credit facilities granted to the Corporate Debtors. They also created mortgage by deposit of title deeds in favour of the bank. They acknowledged the subsistence of liability in respect of the credit facilities by executing confirmation of balances and revival letters from time to time. The Corporate Debtors committed default in repayment of debt and the Financial Creditor declared their accounts as NPA on 28.10.2013. The Financial Creditor initiated the SARFAESI proceedings by issuing a notice under Section 13(2) of the SARFAESI Act, 2002 on 02.01.2015 recalling the loan and

calling upon the Corporate Debtors and the Personal Guarantors to repay the loan. It was followed by a possession notice dated 03.09.2015 under section 13(4) of the SARFAESI Act.

**5. On getting notice**, the Personal guarantors gave an OTS proposal on 28.10.2015 for Rs.78.0 Crores which was accepted by the Financial Creditor on 27.11.2015 for Rs.80.0 Crores. When the Corporate Debtors failed to repay the debt, the Financial Creditor initiated the recovery proceedings against the Corporate Debtors and the Guarantors by filing O.A. No. 111 of 2016. However, a Joint Memo of Compromise was filed by the parties before the DRT and final order in O.A. No.111 of 2016 was passed on 06.04.2016 in terms of the final settlement arrived at between the parties. The default clause was incorporated in the compromise which was to come into play as and when any breach of condition was made by the Respondents. As per the order, the OTS amount was to be paid on or before 30.09.2016. The Respondents paid only Rs. 20.0 Crores and did not make the balance payments. The Financial Creditor filed MA/186/2016(TMA 1/2024) for issuance of recovery certificate of whole amount of the claim in the O.A. The Respondents did not contest the application and accordingly TMA 1/2024 was allowed vide an order dated 23.04.2024. Recovery Certificate was directed to be issued holding the Petitioner entitled to

interest @ 9% per annum till realization. The DRT issued the Recovery Certificate on 18.08.2025 against the Corporate Debtors and the Personal Guarantors.

6. The Financial Creditor also initiated the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtors, Suryabalaji Steels Private Limited and Sri Padmabalaji Steels Private Limited. The Tribunal admitted the petitions and initiated CIRP against the Corporate Debtors vide orders dated 11.09.2017 and 05.10.2017. Since no viable resolution plan came in respect of the Corporate Debtors, liquidation proceedings were initiated against the Corporate Debtors vide orders dated 05.03.2018 and 29.05.2018. The bank also sent notice in Form-B to the Personal Guarantor on 01.12.2021. Thereafter, this petition under section 95 has been filed on 26.05.2022.

7. The Petitioner has placed copy of the order passed by the Presiding Officer, DRT-I, Chennai dated 23.04.2024 in terms of the final order dated 06.04.2016 in O.A. No. 111 of 2016. The Petitioner has also filed the copy of RC No. 5/205 in TA/1/2024 in relation to the Corporate Debtors, Suryabalaji Steels Private Limited and Sri Padmabalaji Steels Private Limited and their Guarantors dated 18.08.2025 vide S.R. No. 4727 dated 26.09.2025.

8. On this petition filed under Section 95 of IBC, 2016, Mr. R. Sankaran was appointed as the IRP who submitted his report vide an application IA/355/2024 on 29.01.2024 recommending for initiation of insolvency proceedings against the Personal Guarantor / Respondent.

9. **On getting notice of the petition and the report of the IRP**, the Respondent/Personal Guarantor filed the reply / counter stating that the date on which the debt became due was 02.01.2015 when the notice under section 13(2) of the SARFAESI Act was issued. It is stated that the date of default for calculation of limitation is to be taken to be the date when the account was declared NPA. In the present case, the account was declared NPA on 28.07.2013. The demand notice in Form-B was issued on 01.12.2021. It is alleged that the acknowledgments with regard to the debt are the fabricated and manipulated documents. The demand notice was never served on the Respondent/Guarantor. It is stated that a sum of Rs.57.95 Crores is the total outstanding debt including interest and penalties as on 10.10.2021 but in the petition, the debt in default is stated to be Rs.155.41 Crores as on 10.10.2021. In relation to debt qua the other Corporate Debtor, a sum of Rs.34.21 Crores is the outstanding debt including interest as on 01.10.2021 but in the petition, the amount in default is stated as Rs.60.60 Crores as on 01.10.2021. It is stated that the petition is barred

by limitation and is not maintainable. The Petitioner has not provided any supportive documents in support of the debt in default amounting to Rs. 223.85 Crores as on 31.12.2021.

**10. We have heard Ld. Counsels for the parties and perused the record.**

11. It is not in dispute that the Corporate Debtors, Suryabalaji Steels Private Limited and Sri Padmabalaji Steels Private Limited had availed various credit facilities from the Petitioner/State Bank of India vide Facility Agreements dated 28.08.2010 and 28.10.2013. The Respondent/Personal Guarantor signed the Personal Guarantee Agreements on the same day i.e. on 28.08.2010 and 28.10.2013. The Corporate Debtors failed to repay the debts and the accounts of the Corporate Debtors were declared NPA on 28.10.2013. The Petitioner/State Bank of India recalled the loan and issued the SARFAESI notice under section 13(2) of the SARFAESI Act, 2002 on 02.01.2015 calling upon the Corporate Debtors and the Guarantors to make the payments after invoking the Guarantees given by the Respondents. When the notice evoked no response from the Corporate Debtors and the Guarantors, the Petitioner issued possession notice on 03.09.2015 and also initiated the recovery proceedings by filing the O.A. before DRT-I, Chennai. CIRP was also initiated against both the

Corporate Debtors. Now both the Corporate Debtors are under liquidation. The Petitioner had also issued Form-B notice to the Personal Guarantor on 01.12.2021 which also evoked no response.

12. As per the statement of accounts and the documents placed by the Petitioner, the amount in default is Rs.223.85 Crores as on 31.12.2021 (Rs.65.64 Crores for Suryabalaji steels private Limited and Rs.158.21 crores for Sri padmabalaji steels private Limited). In the petition, the date when the debt became due is given as 02.01.2015, when the notice under the SARFAESI Act was issued after invoking the guarantee. The date of default is stated as 20.02.2021 when the Form-B notice was issued.

13. A perusal of record reveals that the Respondents had submitted One Time Settlement (OTS) proposal dated 28.10.2015 offering a sum of Rs.78.0 Crores which proposal was accepted by the bank for an enhanced sum of Rs.80.0 Crores vide communication/acceptance letter dated 27.11.2015. The Respondents/Personal Guarantors however failed to honour the OTS. Again before the DRT, the parties entered into a settlement in 2016 which the Respondents did not honour after making initial payment. This petition has been filed on 26.05.2022. The Covid period as relaxed by Hon'ble Supreme Court in *suo moto*

*Writ Petition No.3 of 2020*, from 15.03.2020 to 28.02.2022 has to be excluded for calculating the limitation. In the present case, the limitation period of three years for filing the petition as provided under the Limitation Act, 1963 expired even before 15.03.2020. That being the position, the Petitioner will not be entitled to the benefit given by the Hon'ble Supreme Court in the writ petition No.3 of 2020.

14. In the instant case, as seen from the record, the DRT had passed the order in favour of the Financial Creditor/Petitioner on 23.04.2024 and issued the DRC on 18.08.2025. It is settled law that debt recovery certificate reinforces the crystallization of liability and acknowledgement of debt. The liability of Personal Guarantor is co-extensive, joint and several and survives independently of the fate of the recovery proceedings or liquidation of the Corporate Debtors. In the present case, the guarantee was a continuing guarantee. As held in the case of *Mrs. Margret Lalita Samuel vs. Indo Commercial Bank Ltd. (1979) 2 SCC 396*, in the case of continuing guarantee, so long as the account is live account in the sense that it is not settled and there is no refusal on the part of the guarantor to carry out the obligation, the period of limitation cannot commence running. Limitation would only run from the date of breach under Article 115 of the Schedule to the Limitation Act. In the present case, the demand was raised by issuing

the SARFAESI notice. The Petitioner/State Bank of India also initiated the recovery proceedings by filing the suit in 2016 before the DRT well within the period of limitation. Section 128 of The Indian Contract Act provides that the liability of the surety/guarantor is coextensive with that of the Principal Debtor unless it is otherwise provided by the contract. In the present case, the guarantee is the continuing guarantee as seen from the Personal Guarantee Agreement. In the case of *Dena Bank (Now Bank of Baroda) versus C. Shivakumar Reddy & Anr.* (2021) 10 SCC 330, Hon'ble Surpeme Court has held that the judgment and/or decree for money in favour of the financial creditor passed by DRT or any other tribunal or court or the issuance of a certificate of recovery in favour of the financial creditor would give rise to a fresh cause of action for the financial creditor to initiate proceedings under section 7 of the Code if the dues of the Corporate Debtor. The relevant para is reproduced as hereunder:

*"141. Moreover, a judgment and/or decree for money in favour of the financial creditor, passed by the DRT, or any other tribunal or court, or the issuance of a certificate of recovery in favour of the financial creditor, would give rise to a fresh cause of action for the financial creditor, to initiate proceedings under Section 7 IBC for initiation of the corporate insolvency resolution process, within three years from the date of the judgment and/or decree or within three years form the date of issuance of the certificate of recovery, if the dues of the corporate debtor to the financial debtor, under the judgment and/or decree and/or*

*in terms of the certificate of recovery, or any part thereof remained unpaid.”*

15. As regards contention that there is variation in the outstanding debt and the debt in default, we find that in the petition, the amount/debt in default has been calculated upto 31.12.2021. The Debt Recovery Certificate has been issued on 18.08.2025. In the Demand Notice dated 01.12.2021, the date when the debt became due was taken as 16.02.2021. Considering the above, the variation pointed out by the Respondent cannot be ruled out. Even then in the present case, the debt in default exceeds Rs.1.0 Crore which is the threshold limit for initiating insolvency proceedings against the Personal Guarantor. The Debt Recovery Certificate brings the petition within the limitation as held in the case of *Dena Bank* supra.

16. In light of the aforesaid discussions, the present petition i.e. CP(IB)/105(CHE)/2022 is admitted and the Insolvency Resolution Process stands initiated against Mr. M. Ravichandran 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 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. The Petitioner has proposed the name of Shri. K. Sivalingam as an Interim Resolution Professional having Registration No. IBBI/IPA-001/IP-P01597/2018-19/12430. Upon verification from IBBI site, it is seen that his AFA is not valid. We therefore appoint **Shri. Sankaran R, having Registration No. IBBI/IPA-001/IP-P01692/2019-2020/12608, [E-mail: [sanumlegal@gmail.com](mailto:sanumlegal@gmail.com)]** as an **Interim Resolution Professional**. His AFA is valid upto 30.06.2027. He 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
- b. 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 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.

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. realize 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 her 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, she 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 her functions and duties in compliance with the Code of Conduct provided under Section 208 of IBC, 2016.
- VIII. The Resolution Professional shall submit her periodic reports before this Tribunal, every 30 days.
- IX. The Petitioner is directed to deposit **Rs.3,00,000/- ( Rupees Three lakhs only)** to the bank account of the Resolution Professional within one week, towards her fees. This shall be subjected to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

X. The Registry is directed to communicate a 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.

17. Accordingly the report of the RP filed in IA(IB)/355(CHE)/2024 is taken on record and the same is **disposed of**. CP(IB)/105(CHE)/2022 stands **admitted**.

**Sd/-**  
**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

**Sd/-**  
**SANJIV JAIN**  
MEMBER (JUDICIAL)

*Suguna*