NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

CORAM:
SHRI VINAY GOEL, HON'BLE MEMBER (JUDICIAL)
SHRI RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)

PETITION No./IA No.	**IA(IBC)/351/KOB/2026 in CP(IB)/26/KOB/2025**
SECTION	**SEC. 121 & 123(1) IBC**
NAME OF PARTIES	**STATE BANK OF INDIA V/S SANAM BASHEER**
PETITIONERS ADVOCATE/ PROFESSIONAL	**INDIA LAW**
RESPONDENTS ADVOCATE/ PROFESSIONAL	

13 AUGUST 2026

O R D E R

IA(IBC)/351/KOB/2026 in CP(IB)/26/KOB/2025

Ld. Counsel Mr. Vinod P V appears on behalf of the applicant through virtual mode.

Vide separate detailed Orders,The application is **allowed and disposed of.**

Sd/-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

Sd/-
VINAY GOEL
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

IA(IBC)/351/KOB/2026
IN
CP (IB)/26(KOB)2025

(Under Section 121 and 123 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 Debtors) Rules, 2019)

Date of Institution: 05.08.2026.
Order delivered on: 13.08.2026

In the matter of:

STATE BANK OF INDIA Vs Mrs. SANAM BASHEER

MEMO OF PARTIES:

STATE BANK OF INDIA,
Stressed Assets Management Branch-1
2nd Floor, "The Arcade"
World Trade Centre, Cuffe Parade
Colaba, Mumbai-400005
Email: team1clo.sammum1@State Bank of India.co.in **... Applicant/Financial Creditor**

-Vs-

Mrs. SANAM BASHEER
41/960 CC,
Opp. Krishnanbhat Towers,
Pulleppady Road,
North Ernakulam,
PIN-682018, Kerala
Email: drsanambasheer@gmail.com

...Respondent/Personal Guarantor

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Applicant : Vinod P V, Advocate

O R D E R

Per Coram

1. This application has been filed by the State Bank of India under Section 121 and 123(1) 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 Debtors) Rules, 2019 seeking an order for Bankruptcy against Mrs. **SANAM BASHEER**, who is a Personal Guarantor to the Corporate Debtor Furnace Fabrica (India) Limited (Corporate Debtor).

2. The Corporate Debtor is a Company incorporated under the provisions of the Companies Act, 1956 and originally incorporated under the name and style of Furnace Fabrica (Bombay) Private Limited, registered with ROC-Mumbai on 03rd December 1985. Subsequently, the Corporate Debtor converted into a Public Limited Company. Consequent to the change of name w.e.f. 08th August 1996, the Corporate Debtor is operating under the name and style of Furnace Fabrica (India) Limited. Corporate Debtor has changed its registered Office with ROC-Ernakulam, which is within the jurisdiction of this Hon'ble Tribunal. The Corporate Debtor is established with the objective of

manufacturing structural metal products, tanks, reservoirs, and steam generators and is primarily engaged in the business of design, engineering, procurement, installation, and commissioning of process plants in iron and steel, zinc, copper, alumina, sulphuric acid, power, chemical, cement, petroleum, petrochemicals, tankages and other industries.

3. The Corporate Debtor has been banking with State Bank of India since 1987 and had availed working capital credit facilities under a sole banking arrangement. In or around April 2010, at the request of the Corporate Debtor and to meet its working capital requirements, a consortium of lenders comprising State Bank of India, Standard Chartered Bank, Kotak Mahindra Bank and Axis Bank was constituted, with State Bank of India acting as the Lead Bank ("SBI Consortium"). Pursuant thereto, and at the request of the Corporate Debtor, the Financial Creditor sanctioned a working capital credit facility of Rs. 215 Crores, forming part of the aggregate working capital credit limit of Rs. 288 Crores sanctioned by the State Bank of India Consortium under the Working Capital Consortium Agreement dated 13th May 2010. Subsequently, Kotak Mahindra Bank exited the State Bank of India Consortium, pursuant to which the Corporate Debtor had an aggregate credit limit of Rs. 203 Crores from the remaining consortium lenders. The said credit facilities were renewed and/or enhanced from time to time at the request of the Corporate Debtor. By way of the Sanction/Renewal Letter dated 3rd March 2017, State Bank of India revised/reduced the credit facilities to Rs. 138 Crores. Consequent thereto, the consortium was reconstituted, and a First Supplemental Working Capital Consortium Agreement dated 14th August 2017 was executed between the Corporate Debtor and the consortium lenders, namely, State Bank of India, Standard

Chartered Bank, Axis Bank Limited and Export-Import Bank of India, whereby the total credit facilities under the consortium were enhanced from the then-existing limit of Rs. 203 Crores to Rs. 281 Crores.

4. As a security towards the credit facilities, the Corporate Debtor has created a first pari passu charge by way of hypothecation over the entire current assets of the Corporate Debtor in favour of the State Bank of India Consortium in terms of First Supplemental Joint Deed of Hypothecation Agreement dated 14.08.2017.

5. Further, Mr. Badri Prasad, Mr. A Basheeruddin, Mrs. Sudha Prasad and Mrs. Nezee Basheeruddin have executed a personal guarantee on 14.08.2017. Subsequently, the Respondent, Mrs. Sanam Basheer, executed a personal guarantee on 29.04.2022 in favour of the Applicant, guaranteeing the repayment of the entire principal sum together with interest, costs and charges in the event of default committed by the Corporate Debtor. Additionally, a Deed of Guarantee was also executed by Furnace Fabrica, a partnership firm, in favour of the Applicant on 14.08.2017.

6. The Corporate Debtor has also created a first pari passu charge over the immovable properties of Furnace Fabrica and the Personal Guarantors, which were mortgaged in favour of the Applicant, pursuant to the Memorandum of Deposit of Title Deeds and Declarations of Undertaking dated 14.08.2017. Consequent upon the execution of the Loan Documents, the Corporate Debtor, Furnace Fabrica and the Personal Guarantors also executed Revival Letters acknowledging and confirming their respective liabilities under the Loan Documents and Guarantee Agreements, for the purpose of extending the period of limitation.

7. Despite the grant of additional credit facilities, the management of the Corporate Debtor could not revive the operations of the Corporate Debtor . The lockdown resulted in non-completion of many contracts, closure of many of the projects, and the Corporate Debtor has not submitted its audited financials for the financial year 2021-22, stating that employees of the Company have resigned due to non-payment of salaries. The management of Corporate Debtor could not submit a statutorily complied proposal for renewal despite granting various opportunities before the validity of the last sanction. Hence, as per Reserve Bank of India guidelines, in view of non-renewal of existing credit limits by the Corporate Debtor, the accounts of the Corporate Debtor were classified as non-performing assets on 27.10.2022. It is submitted that in view of the default committed by the Corporate Debtor, the Applicant has issued a demand notice to the Corporate Debtor and personal guarantor/respondent by invoking the personal guarantee vide notice dated 26.05.2023. However, the respondent did not make the payment.

8. Despite the grant of additional credit facilities, the management of the Corporate Debtor could not revive its operations. The lockdown resulted in the non-completion of several contracts and closure of various projects. The Corporate Debtor also failed to submit its audited financial statements for the financial year 2021–2022, stating that several employees of the Company had resigned on account of non-payment of salaries. Despite being afforded several opportunities, the management of the Corporate Debtor failed to submit a statutorily compliant proposal for renewal of the credit facilities before the expiry of the validity of the last sanction. Consequently, in accordance with the applicable Reserve Bank of India guidelines, and in view

of the non-renewal of the existing credit facilities by the Corporate Debtor, the accounts of the Corporate Debtor were classified as a Non-Performing Asset on 27.10.2022.

9. It is submitted that the Applicant had initiated proceedings under Sec 7 of the IB Code against the Corporate Debtor and this Adjudicating Authority admitted the Corporate Debtor for Resolution Process on 01.11.2023 in CP(IBC)14/KOB/2023.

10. It is submitted that this Adjudicating Authority, vide order dated 16.09.2025, admitted CP (IBC)/26/KOB/2025 filed by State Bank of India under Sec 95(1) of IBC,2016 and initiated the resolution process against Mrs. Sanam Basheer, the respondent herein.

11. During the Resolution process by virtue of the failure to submit the repayment plan by the personal guarantor, Resolution Professional has filed an application under Regulation 17B of the IBBI (Insolvency Resolution Process for Personal Guarantor to Corporate Debtor) Regulations, 2019, whereby this Adjudicating Authority passed an order on 13.04.2026 in IA(IBC)/136/KOB/2026 in CP(IBC)/26/KOB/2025 recording the non-submission of repayment plan. This enables the creditor to file an application for bankruptcy under Section 123(1) of the Code.

12. It is submitted that as on 07.07.2026 an amount of Rs. 1,35,65,44,447.59 is due from the personal guarantor under the following credit facilities granted to the CD:-

Sr No	Facility Account No	Principal (In Rupees	Interest (In Rupees	Penal Interest (In Rupees	Total Dues (Principal+ Interest+ Penal Interest)
1	Cash Credit 10503589 136	84,38,72,20 2.53	8,80,13,54 0.97	77,85,06 7.81	Rs. 93,96,70,811 .31
2	Cash Credit 35754833 399	9840382.00	71,00,776. 68	20,97,82 9.15	Rs. 1,90,38,987. 83
3	Bank Guarantee 10503594 623	31,59,80,87 2			Rs.31,59,80, 872
4	Bank Guarantee 31176762 184	81853776.4 5			Rs.8,18,53,7 76.45
	Total	Rs. 125,15,47,2 32.98/-	Rs. 9,51,14,31 7.65/-	Rs. 98,82,89 6.96/-	Rs. 1,35,65,44,4 47.59/-

13. It is submitted that this Adjudicating Authority had approved a resolution plan of the Corporate Debtor vide order dated 29.10.2025 IA(IBC)/Plan/01/KOB/2025 in CP(IB)/14/KOB/2023. The Resolution Applicant of the Corporate Debtor has proposed an amount of Rs. 57.07 Crore to the Applicant. The Applicant has received this amount, and upon receipt of the amount, a proportionate deduction had been made from the claim amount against the Respondent, Personal Guarantor of the Corporate

Debtor. After adjustment of the amount so received from the Resolution Plan, the balance due is Rs. 1,35,65,44,447.59/-

14. It is submitted that under Section 123(4), the Applicant has proposed Mr. Dileep KP, an insolvency professional registered with Insolvency and Bankruptcy Board of India having registration number IBBI/IPA-001/IP-P-01310/2018-2019/12220 and AFA No: AA1/12220/02/311226/108770 valid till 31/12/2026, as the Bankruptcy Trustee. He has furnished his written consent and confirmed his eligibility, independence, and absence of any disciplinary proceedings.

15. In view of the aforesaid facts and circumstances, the present Application is filed seeking Bankruptcy of the Personal Guarantor under Section 123 of IBC, 2016, to initiate the Bankruptcy Process against the Personal Guarantor of the Corporate Debtor.

16. As per the provisions of IBC, 2016, no notice is required to be served upon the Respondent/Personal Guarantor, who has failed to comply with the earlier orders.

17. The Adjudicating Authority perused the Application and is satisfied that the Applicant has filed the application with all the mandatory requirements under the applicable regulations. No valid or justifiable reason has been shown on behalf of the Respondent. Vide Order dated 13.04.2026 in IA(IBC)/136/KOB/2026, this Adjudicating Authority discharged the Resolution Professional and ordered the debtor or Creditors to initiate proceedings. Therefore, this Adjudicating Authority finds it proper to admit this Application and declare the Personal Guarantor herein as Bankrupt. The commercial wisdom of CoC is paramount, and there is no procedural lapse on the part of the Resolution Professional or CoC. The non-submission of a

repayment plan followed by an order under Section 114 of IBC, 2016 would invite the bankruptcy proceedings as its natural consequence.

18. In the result, **Mrs. SANAM BASHEER,** Opp. Krishnanbhat Towers, Pulleppady Road, North Ernakulam, PIN-682018, Kerala. Email: drsanambasheer@gmail.com, Kerala, **Personal Guarantor**, is hereby **ordered to be Bankrupt.**

19. The Applicant proposed Insolvency Professional, **Mr. Dileep K P,** having **IBBI Registration No. IBBI/IPA-001/IP-P01310/2018-2019/12220**, residing at **Veluthedath House, Ponnurunni Vytilla P O Cochin, Ernakulam, Kerala, 682019, Email: kpdileep57@gmail.com,** to be appointed as **Bankruptcy Trustee**. The said Insolvency Professional has also given a declaration in Part IV of the Application. Hence, **Mr. Dileep K P** is appointed as **Bankruptcy Trustee** under Section 125 of the IBC, 2016.

20. The Registry is directed to provide a copy of this Bankruptcy order and a copy of the Bankruptcy application to the Bankrupt, the Creditor, and the Bankruptcy Trustee within 7 (seven) days as provided under Section 126 (2) of IBC, 2016.

21. This order of Bankruptcy shall continue to have the effect till the debtor is discharged under Section 138 of the IBC, 2016.

22. The Bankrupt shall submit his statement of financial position to the Bankruptcy Trustee in the prescribed Form within seven days from the date of the order.

23. The estate of the Bankrupt excluding the assets mentioned in Section 155(2) of IBC, 2016 read with Rule 5 of Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to

Corporate Debtor) Rules, 2019 vest with the Bankruptcy 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 and take necessary steps to ensure the preservation, protection security and maintenance of those properties as provided under Section 128 and 154 of IBC, 2016.

24. The Bankruptcy Trustee is directed to adhere to Sections 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.

25. The Bankruptcy Trustee for the Adjudicating Authority shall send notices as provided under Section 130(a) of the IBC, 2016, within ten days from the date of this order to the creditors mentioned in the statement of affairs submitted by the Bankrupt under Section 129 of the IBC, 2016.

26. The public notice inviting claims from the creditors as contemplated under Section 130 (2) of IBC, 2016 shall be issued in one morning, English daily, and in one-morning vernacular regional language newspapers having wide circulation where the Bankrupt resides.

27. This Bankruptcy order is subject to provisions of sub-section (2) of 128 of IBC, 2016, and no one will be able to 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 IBC, 2016.

28. The Bankruptcy Trustee shall conduct the administration of the distribution of the estate of the bankrupt under Part III, Chapter V of IBC, 2016, as provided in Section 136 of the Code.

29. The Bankrupt shall, from the date of the order, be subject to such disqualifications and restrictions as prescribed under sections 140 and 141 of IBC, 2016.

30. The Bankruptcy Trustee may seek such further information or explanation in connection with the 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.

31. The Bankruptcy Trustee shall exercise all the powers as enumerated under IBC, 2016, read with Rules and Regulations made thereunder.

32. The Bankruptcy Trustee shall submit to this Adjudicating Authority and committee a preliminary report within ninety days from this date of the Bankruptcy order after serving a copy of the report on the Bankrupt as provided in Regulation 8 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulation, 2019.

33. The Bankruptcy Trustee shall submit to this Adjudicating Authority a periodical progress report within fifteen days after the end of every quarter after serving a 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 Debtor) Regulation, 2019.

34. The Applicant shall forthwith deposit an amount of **Rs. 1,00,000/- [Rupees One Lakh only**] with the Bankruptcy Trustee for initiation of the proceedings as directed by this Adjudicating Authority.

35. The fee of the Bankruptcy Trustee is to be determined as provided under Regulation 4 of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtor) Regulations, 2019. The initial amount (Rupees One Lakh only) paid to the Bankruptcy Trustee shall be deducted from the fee so determined as per the Rules.

36. Accordingly, the application, **IA(IBC)/351/KOB/2026** in **CP(IBC)/26/KOB/2025,** stands **allowed and disposed of**.

37. The Registry is directed to send e-mail copies of this order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps. The Registry shall place a compliance report of this direction in this file.

38. Let the certified copy of the order be issued upon compliance with the requisite formalities.

39. File be consigned to records.

Sd /-
RAVICHANDRAN RAMASAMY
(MEMBER TECHNICAL)

Sd /-
VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 13th day of August, 2026.

Reshma /Steno