



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH - I**

CP (IB) NO. 998 of 2026

*Under Section 10 of the Insolvency and Bankruptcy Code, 2016 read
with Rule 7 of the Insolvency and Bankruptcy (Application to
Adjudication Authority) Rules, 2016*

In the matter of:

Sevantilal Fakirchand and Company Private Limited

CIN: U36911MH1989PTC051740

Having its Registered Office at -

407, Panchratna, Opera House,

Mumbai, Maharashtra, India — 400004.

... Corporate Applicant

Order Pronounced on: 27.10.2026

Coram:

Shri Prabhat Kumar

Member (Technical)

Shri Sushil Mahadeorao Kochey

Member (Judicial)

Appearances:

For the Corporate Applicant : Adv. Aniruth G. Purushothaman

ORDER

Per: Coram

1. The present Company Petition has been filed by SEVANTILAL FAKIRCHAND AND COMPANY PRIVATE LIMITED (hereinafter referred to as the “Corporate Applicant” or “Corporate Debtor”) under Section 10 of the Insolvency and Bankruptcy Code, 2016 (“Code”), read with



Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of the Corporate Insolvency Resolution Process (“CIRP”) against itself.

Brief Facts

2. The Corporate Applicant was incorporated as a private limited company on 15.05.1989 under the provisions of the Companies Act, 1956. The authorised share capital of the Corporate Debtor is ₹5,00,00,000/-, while its paid-up equity share capital is ₹1,00,00,000/-.
3. It is submitted that the Corporate Debtor has outstanding liabilities towards various creditors, comprising Operational Creditors, an Unsecured Financial Creditor who is a Related Party, and a consortium of Financial Creditors in respect of the Corporate Guarantee(s) furnished by the Corporate Debtor for the credit facilities availed by M/s. Antrix Diamond Exports Private Limited (hereinafter referred to as the “Principal Borrower”).
4. It is further submitted that the principal financial liability of the Corporate Debtor arises from the Corporate Guarantee(s) and security furnished in favour of a consortium of lenders led by Bank of India, in respect of the credit facilities availed by the Principal Borrower. Upon the Principal Borrower committing default in repayment of the said credit facilities, the liability of the Corporate Debtor under the Corporate Guarantee(s) became enforceable. Consequently, the consortium lenders initiated recovery and enforcement proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”).
5. It is stated that Bank of India, being the Lead Bank of the consortium, had issued a demand notice dated 08.01.2018 under Section 13(2) of the SARFAESI Act. The enforcement proceedings thereafter progressed to measures under Section 13(4) of the SARFAESI Act, including the taking of symbolic possession of the relevant secured assets on 16.04.2019. The Principal Borrower subsequently underwent insolvency proceedings and was ordered to be liquidated. However, the liability of the Corporate Debtor under the Corporate Guarantee(s) continued to subsist. Thereafter, Bank of India,



acting as the Lead Bank of the consortium, issued a fresh demand notice dated 30.07.2026 under Section 13(2) of the SARFAESI Act against, inter alia, the guarantors and mortgagors, including the Corporate Debtor, setting out the updated outstanding liability claimed by the consortium lenders.

6. It is further stated that the requisite approvals of the Board of Directors and the members of the Corporate Debtor have been obtained, including the approval dated 01.08.2026 and the Special Resolution dated 27.08.2026 passed under Section 10 of the Code. Accordingly, the present Application has been filed seeking initiation of the Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor.
7. As per Part III, the total debt amounting to default is Rs. 13,76,00,96,154.65/- (Thirteen Hundred Seventy-Six Crores Ninety-Six Thousand One Hundred Fifty-Four Rupees and Sixty-five paise). The distribution table is provided below:

Unsecured Financial Creditor (Related Party):	
Rs. 1,62,85,476.29/-	
From Operational Creditors	
Rs. 95,55,639/-	
Financial Debt arising from the. Corporate Guarantee in favour of the Consortium Lenders	
Rs. 13,73,42,55,039.36/-	
Total	Rs. 13,76,00,96,154.65/- (Thirteen Hundred Seventy-Six Crores Ninety Six Thousand One hundred Fifty four Rupees and Sixty five paise)

8. It is submitted that the debt was initially incurred on 31.03.2006, and the default subsequently occurred on 07.01.2016, when the account of the Principal Borrower was classified as a Non-Performing Asset (NPA).
9. The current and non-current assets of the Corporate applicant are stated in financial statement for the period ending on 31st March 2026 is as follows:



ASSETS			
(I) Non Current Assets			
(a) Fixed Assets			
Tangible Assets	2.7	53786.87	53786.87
Intangible Assets Under			
(b) Non Current Investments	2.8	149228.50	149228.50
(c) Deferred Tax Assets (Net)	2.9	0.00	0.00
(d) Long Term Loans and Advances	2.10	0.00	0.00
(II) Current Assets			
(a) Inventories	2.11	145677.20	145677.20
(b) Trade Receivables	2.12	0.00	0.00
(c) Cash and Cash Equivalents	2.13	124.13	124.13
(d) Short Term Loans and Advances		443.08	443.08
TOTAL		349259.78	349259.78

Findings of the Tribunal:

10. We heard the counsel for the Corporate Debtor and perused the material on record.
11. This application is filed as per Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016 in Form-6. Required information is also furnished therein.
12. The Corporate Applicant has placed on record the Board Resolution passed at the meeting of the Board of Directors held on 01.08.2026 and the Special Resolution passed on 27.08.2026, whereby approval was accorded for the initiation of the Corporate Insolvency Resolution Process under Section 10 of the Insolvency and Bankruptcy Code, 2016. By the said resolutions, Mr. Jaswantsinh Pratapsingh Sisodiya, Additional Directors of the Corporate Applicant, were duly authorised to institute the present application and to undertake all necessary acts, deeds, filings, and compliances in connection therewith under the provisions of the Insolvency and Bankruptcy Code, 2016.
13. The Corporate Applicant has also placed on record the following documents in support of the present application:
 - a. Copies of the respective ledger accounts of the Operational Creditors, along with the available bills, invoices and other supporting documents evidencing the operational liabilities of the Corporate Debtor.



- b. A copy of the Statement of Account evidencing the amounts advanced and/or disbursed by Related Party of the Corporate Debtor.
 - c. Copies of the demand notice dated 08.01.2018 and the fresh demand notice dated 30.07.2026, both issued under Section 13(2) of the SARFAESI Act, 2002.
 - d. Copies of the audited financial statements of the Corporate Debtor for the financial years ending on 31.03.2024, 31.03.2025 and 31.03.2026.
14. Further, the key financials data as reflected in the Audited Balance Sheets of years 2023-2026 placed on record by the corporate debtor is summarised as below:

Particulars	2023-24 (Rs.)	2024-25 (Rs.)	2025-26 (Rs.)
Revenue from Operations	0	0	0
Other Income	0	0	0
Total Revenue	0	0	0
Total Expenses	Rs.10070	Rs. 5236	Rs. 5000
Net Profit/(Loss) (after tax)	Rs. (10070)	Rs. (5236)	Rs. (5000)

15. Further, the Corporate Applicant has submitted an unaudited balance sheet dated 31.07.2026, reflecting a loss before tax of ₹1,57,344/-.
16. The Corporate Applicant has also placed on record copies of the relevant orders and documents pertaining to the insolvency and/or liquidation proceedings of the Principal Borrower.
17. We have also perused the demand notice dated 08.01.2018 issued by the consortium of creditors led by Bank of India under Section 13(2) of the SARFAESI Act, 2002, in respect of the outstanding liabilities arising from the credit facilities availed by the Principal Borrower and secured by the



Corporate Guarantee(s) furnished by the Corporate Applicant. By way of the said notice, the Corporate Applicant, in its capacity as guarantor, was called upon to discharge the outstanding liabilities. The relevant extracts of the notice are reproduced below:

“4. We also inform you that inspite of our repeated demands/requests for repayment of the amounts due to us, the principal debtors has not so far paid the same. You, therefore as guarantor became liable to pay the said dues.

5. For the reasons stated above, we hereby give you notice under Section 13(2) of the above noted Act and call upon you to discharge in full your liabilities by paying to the Bank, a sum of Rs. 526,47,64,857.74/ (Rupees Five Hundred Twenty Six Crores Forty Seven Lakhs Sixty Four Thousand Eight Hundred Fifty Seven and paise Seventy Four Only) with monthly rests at the rate and period mentioned above and all costs, charges and expenses incurred by the bank, repayment by you within a period of 60 days from the date of this notice, failing which please note that we will exercise, at your risks as to costs and consequences, exercise the powers vested with the Bank under Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 against the secured assets mentioned above.”

18. It is further noted that the consortium of creditors led by Bank of India issued another demand notice dated 30.07.2026 under Section 13(2) of the SARFAESI Act, 2002, against the guarantors and mortgagors, including the Corporate Debtor. The said notice records the total outstanding liability as ₹13,73,42,55,039.36/- as on 30.07.2026, inclusive of interest, and calls upon the Corporate Applicant in its capacity as guarantor to discharge the said liability along with the other guarantors.
19. It is a settled position of law that, in terms of Section 128 of the Indian Contract Act, 1872, the liability of a surety is co-extensive with that of the principal debtor, unless otherwise provided by the contract. Accordingly, the



liability of the Corporate Applicant under the Corporate Guarantee(s) is enforceable in accordance with the terms thereof upon the occurrence of the stipulated conditions.

20. Upon the Principal Borrower committing default and the creditor invoking the Corporate Guarantee(s), the liability of the Corporate Applicant as guarantor becomes enforceable in accordance with the terms of the guarantee. Where the Corporate Applicant is itself unable to discharge its enforceable financial obligations arising therefrom, it may seek initiation of the Corporate Insolvency Resolution Process against itself under Section 10 of the Insolvency and Bankruptcy Code, 2016, subject to fulfilment of the statutory requirements prescribed thereunder.
21. This Tribunal had required, vide order dated 05.10.2026, the Petitioner's directors to place on record an affidavit stating that they shall make available requisite funds to fund the CIRP process in case the Petition is admitted. Pursuant to that, the petitioner's directors have filed the affidavit dated 07.10.2026 undertaking as follows:

"3. I hereby undertake that the Suspended Board of Directors of Sevantilal Fakirchand and Company Private Limited shall bear the costs and expenses of the CIRP, including the CIRP costs incurred during the course of the CIRP, in accordance with the provisions of the Code and applicable law.

4. I further undertake that the Suspended Board of Directors shall extend full cooperation and assistance to the Interim Resolution Professional / Resolution Professional ("IRP/RP") appointed by this Hon'ble Tribunal in accordance with law.

5. I further undertake that the Suspended Board of Directors shall provide to the IRP/RP all documents, books, records, information, particulars and other materials as may be sought or required by the TRP/RP for the purpose of conducting and completing the CIRP in accordance with the provisions of the Code and the applicable regulations.



6. I further undertake that the Suspended Board of Directors shall make available and provide access to all relevant documents and information as may be required by the IRP/RP in discharge of their duties and functions under the Code.

7. I further undertake that the Suspended Board of Directors shall provide all necessary assistance, cooperation and information to the TRP/RP and shall comply with all lawful requirements and directions issued by the IRP/RP in connection with the CIRP.”

22. After hearing the submissions and upon perusing the supporting documents annexed with the Petition, this Bench is of the view that the application made by the Corporate Applicant is complete in all respects as required by law. It clearly shows that the Corporate Applicant is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC, at the relevant time.
23. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority **admits** this Petition and orders initiation of CIRP against the Corporate Applicant.

ORDER

24. The above CP(IB) No. 998 of 2026 is hereby **allowed** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **Sevantilal Fakirchand and Company Private Limited**
25. Mr. Sachin Rajendra Singhvi, bearing Registration No. IBBI/IPA-001/IP-P01289/2018-2019/12066, having registered address at 450-451, Kewal Industrial Estate ,Senapati Bapat Marg ,Lower Parel ,Mumbai City ,Maharashtra ,400013. [Email ID: sachin@mehtasinghvi.in], is hereby appointed as the IRP of the Corporate Applicant to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.



26. There shall be a moratorium under Section 14 of the IBC, in regard to the following:
- i. The institution of suits or continuation of pending suits or proceedings against the Corporate Applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - ii. Transferring, encumbering, alienating or disposing of by the Corporate Applicant any of its assets or any legal right or beneficial interest therein;
 - iii. Any action to foreclose, recover or enforce any security interest created by the Corporate Applicant in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 - iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Applicant.
27. Notwithstanding the above, during the period of moratorium: -
- i. The supply of essential goods or services to the corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;
 - ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
28. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Applicant under section 33 of the IBC, as the case may be.
29. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency &



Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

30. During the CIRP Period, the management of the Corporate Applicant shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.
31. The Board of Directors of the Corporate Applicant shall make available requisite funds with the IRP/RP to meet the expenses arising out of issuing public notice and inviting claims till the formation of Committee of Creditors plus out of pocket expenses as well as to meet further process cost, in case the fund is not available with the Corporate Applicant at request of IRP/RP. Needless to say, these expenses shall be subject to rectification by the Committee of Creditors (CoC) and the amount so contributed by the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.
32. The Board of Directors of the Corporate Applicant shall furnish the complete names, addresses, and contact details of the persons/entities from whom the amounts reflected under the head "Current Assets" in the provisional financial statement as on 10th March 2026 were receivable.
33. The Applicant is directed to pay a lump-sum amount of ₹1,50,000/- towards the fees of the IRP, inclusive of out-of-pocket expenses, for the period up to the conclusion of the first meeting of the CoC. Thereafter, the CoC shall determine the fees of the IRP/RP in accordance with the applicable regulations and the standards adopted by the CoC.
34. The Registry is directed to communicate this Order to the Corporate Applicant and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.



35. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Applicant. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven days** from the date of receipt of a copy of this order.
36. Ordered accordingly.

Sd/-

Prabhat Kumar
Member (Technical)

Vijay Andhale (LRA)

Sd/-

Sushil Mahadeorao Kochey
Member (Judicial)