



SL. No.3

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)

CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 10.09.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)(DIS) No.12/2024 in CP (IB) No. 198 /7 /HDB/2019
NAME OF THE COMPANY	Saikrishnodaya Industries Pvt Ltd
NAME OF THE PETITIONER(S)	Sarwottam Ispat Ltd
NAME OF THE RESPONDENT(S)	Saikrishnodaya Industries Pvt Ltd
UNDER SECTION	7 IBC

ORDER

IA (IBC)(DIS) No.12/2024

Orders pronounced, recorded vide separate sheets. In the result, dissolution is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

I.A. No. 12 of 2024 in
C.P. (IB) No. 198/7/HDB/2019
U/S. 54(1) of the IB Code, 2016

Mr. Anil Kumar K,
Liquidator of
M/s Sai Krishnodaya Industries (P) Ltd,
101, Sravya's Parnika Pride Homes,
Road No.8, Krushi Nagar, Madinaguda,
Hyderabad – 500 049.

.... Applicant

In the matter of:

M/s Sarwottam Ispat Limited,
206, Swapnalok Complex,
S.D. Road,
Secunderabad – 500 003.

.... Financial Creditor

vs.

M/s Sai Krishnodaya Industries (P) Limited,
1-8-333 & 334, Near US Consulate,
Opp. Police Lines, Begumpet,
Secunderabad – 500 003.

.... Corporate Debtor

Date of Order: 10.09.2024

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel present:

For the Applicant : Mr Shaik Gouse, PCS
Mr Anil Kumar K, Liquidator

Heard on : 20.08.2024



Per : Bench

ORDER

1. This application has been filed by the Liquidator of the Corporate Debtor (**CD**) M/s Sai Krishnodaya Industries (P) Limited under Section 54(1) of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations 2016, seeking for dissolution of the CD.

Brief facts of the Application:

2. It is submitted that, the CD was admitted into CIRP¹ vide order of this Tribunal dated 17.10.2019 appointing Mr Arun Kumar Malani as Interim Resolution Professional (IRP), and he continued as Resolution Professional (**RP**).
3. As no Resolution Plan was received during CIRP period, application for liquidation of the CD was filed and the same was allowed by this Tribunal vide order dated 24.04.2023 appointing Mr. Anil Kumar K as Liquidator. Pursuant to which, the Liquidator made public announcement on 18.05.2023 inviting claims from the Stakeholders of the Company. In response to the public announcement, received claim from the sole member i.e. M/s Sarwottam Ispat Limited and constituted the CoC. Later, the existing CoC continued as the Stakeholders Consultation Committee (SCC) as no other member showed interest to participate in SCC.

¹ Corporate Insolvency Resolution Process



Claims of Financial Creditors:

S No	Name of the stakeholder	Nature of stakeholder	Amount claimed (Rs)	Amount admitted (Rs)
1	Sarwottam Ispat Limited	Unsecured creditor	3,66,12,500	3,66,12,500
Total :			3,66,12,500	3,66,12,500

4. It is submitted that, according to the statement of the erstwhile RP, the assets² worth Rs 3,43,103 acquired for pursuing the project in Arunachal Pradesh have been written off, as the project could not take off.
5. It is asserted that, according to the valuation reports provided by the registered valuers, the caution deposits³ of Rs 3.09 crores made as part of the government projects were non-recoverable, as the CD was unable to pursue the contract and the contracts were terminated from the said dates.
6. It is submitted that the company's net worth according to the recent audited financial statements, is negative and has been eroded. Both the registered valuers have assessed the investments as having a value of `zero', due to their non-recoverability over the years.

Statement of realization of assets of the CD:

S No	Particulars	Amount (Rs)	Total (Rs)
1	Cash and Bank balances as on the liquidation commencement date.	59,011	59,011
Total :			59,011

² Page 11 of the application.

³ Page 12 of the application.



Liquidation process cost:

S No	Particulars	Liquidation process cost (Rs)
1	Valuation Fees	15,000
2	Public announcement expenses	27,300
3	Zoom meeting expenses	12,272
4	Audit certification fees	5,000
5	IA documentation and filing charges	3,600
6	Liquidator's out of pocket expenses	10,200
7	Liquidator remuneration	0
8	Bank charges	160
Total :		73,532

7. It is asserted that, due to insufficient cash and bank balances to incur the above expenses, the Liquidator has personally paid an additional amount of Rs 14,521. Neither the erstwhile RP nor the Liquidator has received any remuneration for administering the process. The erstwhile RP is claiming Rs 20,000 per month for administering the process from October 2019 to May 2023, totaling to Rs 7,20,000. Additionally, the Liquidator is seeking remuneration of Rs 3,60,000 for conducting the process and appealing to the Adjudicating Authority to direct the CD to make this payment. Furthermore, the erstwhile RP has not filed annual returns and other documents with the Ministry of Corporate Affairs. Payment for the corresponding filing charges is required.
8. The Applicant Liquidator submits that, the Preliminary Report and the quarterly Progress Reports for the period from 30.09.2023 to 15.04.2024 have been filed before this Tribunal, and the following reports are being filed along with this application:



- a. List of Stakeholders⁴
- b. Final Report⁵
- c. Compliance Certificate in Form-H⁶

In view of the above facts, prayed this Tribunal to order dissolution of the Corporate Debtor Company.

Decision on the Application:

9. We have perused the contents of the Application and heard the Counsel appearing for the Liquidator. At the outset, it may be stated that Section 54 of the IBC lays down the criteria for dissolution of the Corporate Debtor.

“Section 54 - Dissolution of Corporate Debtor.

- (1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.*
- (2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.*
- (3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered”.*

⁴ Page 19 of the application (Annexure A).

⁵ Page 20 to 101 of the application (Annexure B).

⁶ Page 102 to 103 of the application (Annexure C).



10. Regulation 45 of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 reads as under:-

“Regulation 45: Final report prior to dissolution.

- (1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor’s assets have been liquidated.*
- (2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.*
- (3) The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for –*
 - (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or*
 - (b) for the dissolution of the corporate debtor, in cases not covered under clause (a)”.*

11. We are satisfied that the criteria laid down under law has been fully complied with. As such, the Corporate Debtor is liable to be dissolved. Hence, we hereby order dissolution of the Corporate Debtor as under:-

- a. The **Corporate Debtor M/s Sai Krishnodaya Industries (P) Limited** stands dissolved from the date of this Order, in terms of Section 54(2) of IBC, 2016, and the Liquidator stands relieved.



- b. The Liquidator is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad.
- c. Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the Liquidator, be handed over by the Liquidator to the IBBI.
- d. The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- e. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- f. In terms of the above, **IA No.12 of 2024 filed by the Liquidator appointed for M/s Sai Krishnodaya Industries (P) Limited (Corporate Debtor)** for dissolution of the Company under Section 54(2) of IBC, 2016 stands disposed of accordingly. Since the Corporate Debtor stood dissolved vide this order and no proceedings are now pending, therefore, the Registry is directed to consign the file to records.

Sd/-
(SANJAY PURI)
MEMBER (TECHNICAL)

Sd/-
(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

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