

**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 02.09.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	<b>IA (IBC)/1189/2024 in Company Petition IB/265/95/2021</b>
NAME OF THE COMPANY	<b>Shri P.Surender Reddy &amp; Shivani Alloys Casting Ltd</b>
NAME OF THE PETITIONER(S)	<b>State Bank of India</b>
NAME OF THE RESPONDENT(S)	<b>Shri P.Surender Reddy &amp; Shivani Alloys Casting Ltd</b>
UNDER SECTION	<b>95 of IBC</b>

**ORDER**

**IA (IBC)/1189/2024**

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

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-II**

**I.A. No 1189 of 2024**

**in**

**CP(IB) No.265/95/HDB/2021**

*[Under Section 121 & 123 of Insolvency and Bankruptcy Code, 2016, r/w Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy process for Personal Guarantors to Corporate Debtors) Rules, 2019]*

**BETWEEN:**

State Bank of India  
(Erstwhile State Bank of Hyderabad, since merged into SBI)  
SAMB Branch, Kacheguda Station Road  
No.3-2-1, New Bus Station, 1<sup>st</sup> Floor, TSRTC  
Kacheguda  
Hyderabad – 500 027  
Rep. by its Authorised Signatory Mr. Kuppa Ravi Shankar

.... Applicant/Financial Creditor

**AND**

Mr. P. Surendra Reddy  
H.No.6-3-1092/C-5  
Flat No.5, Block No.C  
Shatisikhana Apartments  
Somajiguda, Hyderabad – 500 082

... Respondent No.1/Personal Guarantor

M/s.Shivani Alloys Steel Casting Ltd.  
Plot No.17, Shanti Sikhara Apartments  
RN Road, Somajiguda,  
Hyderabad – 500 082

... Respondent No.1 / Corporate Debtor

**Date of Order: 02.09.2024**

**Coram:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

**Counsel/Parties present:**

For the Applicant : Mr. Varun Ambati, Ms. C. Aishwarya,  
Advocates

**[ PER: BENCH ]**

**ORDER**

1. The instant Application has been filed by State Bank of India (“**Applicant/FC**”) under Section 123 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019 to initiate Bankruptcy Proceedings against Mr. P. Surendra Reddy (“**Personal Guarantor/ PG/ R1**”).
2. The FC, vide Sanction Letter dated 27.05.2010 has enhanced the Cash Credit facilities in favor of M/s.Shivani Alloys Steel Casting Ltd. (“**CD/R2**”) for its business needs (**Annexure-III at pg. 15-31 of the application**).
3. The PG stood as guarantor to secure the repayment of the financial assistance availed by the CD from the FC, vide

Deed of Guarantee dated 27.05.2010, under which PG undertook to pay on demand forthwith, without demure all the amounts payable by the CD under the Loan Agreement dated 27.05.2010.

4. The CD failed to honor its obligations to FC and subsequently the loan account was declared as NPA on 16.04.2012. It is claimed that the total amount payable to the FC is Rs. 98,84,71,805/- (Rupees Ninety Eight Crores Eighty Four Lakhs Seventy One Thousand Eight Hundred and Five only) including principal amount of Rs.14,57,47,220/- (Rupees Fourteen Crores Fifty Seven Lakhs Forty Seven Thousand Two Hundred and Twenty only) along with an interest of Rs.84,27,24,585/- (Rupees Eighty Four Crores Twenty Seven Lakhs Twenty Four Thousand Five Hundred and Eighty Five only) calculated until 31.03.2024.
5. The FC approached this Authority in CP(IB) 265/95/HDB/2021 under Section 95 of the Insolvency and Bankruptcy Code, 2016 (**IBC**) praying to initiate Insolvency Proceedings against the Personal Guarantor.
6. This Authority, vide its order dated 25.10.2021 has passed interim moratorium and appointed Mr. Kasi Srinivas as the Resolution Professional ("**RP**") under Section 97(5) of the Code with a direction to submit his report under Section 99

of the Code recommending rejection or admission of the Applicant. Subsequently, the RP has recommended admission of the Application filed by the FC. This Authority, vide its Order dated 18.10.2022 admitted the Application under Section 100 of the Code and declared moratorium under Section 101 of the Code (**Annexure-VII**).

7. When the PG failed to submit a Repayment Plan, the RP had filed an IA 2018/2023 seeking closure of the Personal Insolvency Resolution Process with an option to the Creditor to seek remedies of Bankruptcy under Section 123 of IBC, which was allowed by this Authority on 02.04.2024, wherein it was observed that -

**“The applicant is given liberty to file an application for initiating Bankruptcy Proceedings in terms of Section 121, 122 and 123 of the Code. Accordingly, this application is allowed and disposed of”.**

8. In view of the aforesaid facts and circumstances, the present Application is filed by the Applicant seeking to initiate Bankruptcy Proceedings against the PG of the CD.
9. We have carefully perused the Application and are satisfied that the PG failed to submit the repayment plan and the instant application has been filed for initiating Bankruptcy Proceedings against the PG of the CD. There is no reason to reject the prayer of the Applicant. Therefore, we find it

proper to admit this Application and declare the Personal Guarantor herein, as Bankrupt.

10. In the result, **Mr.P. Surendra Reddy**, H.No.6-3-1092,/C-5, Flat No.5, Block No.C, Shatisikhana Apartments, Somajiguda, Hyderabad – 500 082, **Personal Guarantor** is hereby ordered to be **BANKRUPT**.
11. The Applicant proposed the Resolution Professional, **Mr. Kasi Srinivas**, having IBBI Regn. No **IBBI/IPA-003/IP-N00237/2019-2020/12840**, email : srinivaskashyap111080@gmail.com, Mobile No. +91 8008022887 to be appointed as Bankruptcy Trustee. The said Resolution Professional has given his consent in Form A (**Annexure-II**). Hence, we hereby appoint **Mr. Kasi Srinivas** as Bankruptcy Trustee under Section 125 of the Code.
12. The Registry is directed to provide the copy of this Bankruptcy Order and a copy of the Bankruptcy Application to the creditors and Bankruptcy Trustee within a week as provided under Section 126 (2) of IBC, 2016.
13. This order of Bankruptcy shall continue to have the effect till the debtor is discharged under section 138 of IBC, 2016.

14. 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.
15. The estate of the bankrupt excluding the assets mentioned in Section 155(2) of Code r/w Rule 5 of Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019 shall 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 preservation, protection security and maintenance of those properties as provided under section 128 and 154 of IBC, 2016.
16. The Bankruptcy Trustee is directed to adhere to Section 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.
17. The Bankruptcy Trustee for the Adjudicating Authority shall send notices as provided under section 130(a) of IBC, 2016 within ten days from the date of this order to the creditors mentioned in statement of affairs submitted by the Bankrupt under section 129 of IBC, 2016.

18. The Public Notice inviting claims from the creditors as contemplated under section 130 (2) of the Code shall be issued in one English daily newspaper and in one vernacular regional language newspaper having wide circulation where the bankrupt resides.
19. On passing of the Bankruptcy order but subject to subsection (2) of 128 of the Code, shall not 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 (ii) of the Code.
20. The Bankrupt Trustee shall conduct the administration of distribution of estate of bankrupt under Chapter V as provided in section 136 of the code.
21. The Bankrupt shall from the date of the order be subject to such disqualifications and restrictions as prescribed under section 140 and 141 of the code.
22. The Bankruptcy Trustee may seek such further information or explanation in connection with 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.
23. The Bankruptcy Trustee shall exercise all the powers as enumerated under the Code read with Rules and Regulations made thereunder.
  24. The Bankruptcy Trustee shall submit to this Adjudicating Authority and committee a preliminary report within ninety days from the date of Bankruptcy order after serving copy of the report on bankrupt as provided in Regulation 8 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
  25. The Bankruptcy Trustee shall submit to this Authority periodical progress report within fifteen days after the end of every quarter after serving copy of the report on the bankrupt provided under Regulation 10 of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulations, 2019.
  26. The fee of Bankruptcy Trustee to be determined as provided under Regulation 4 of the Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulations, 2019.

27. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Learned Counsel for information and for taking necessary steps.
28. A certified copy of the order is to be issued upon compliance with requisite formalities.

**Sd/-**  
**SANJAY PURI**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**

**Syamala**