

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
19-01-2023 AT 11:00 AM

IA(IBC) 1075/2022 in CP(IB) No.133/7/HDB/2020
u/s. 7 of IBC, 2016

IN THE MATTER OF:

Mr. Gongal Reddy Sesh Reddy

...Financial Creditor

Vs

Sri Sai Sindhu Industries Pvt Ltd

...Corporate Debtor

C O R A M:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC) 1075/2022

Order in IA (IBC) 1075/2022 in CP (IB) No.133/7/HDB/2020 is allowed and the Corporate Debtor is hereby dissolved subject to observations of the conditions mentioned in the order.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1**

**IA No. 1075 of 2022
in
CP (IB) No. 133/7/HDB/2020**

Application u/s 54(1) of IBC, 2016 r/w Regulation 45 of Insolvency &
Bankruptcy Board of India (Liquidation) Process) Regulations, 2016

**In the matter of M/s Sri Sai Sindhu Industries Limited
(In liquidation)**

Mr. Chandra Sekhar Arasada
M/s Sri Sai Sindhu Industries Limited
Plot No. 1183, H.No. 8-3-430/1/23, 1st Floor
Street No.10, Yellareddyguda, Ameerpet
Hyderabad - 500073

Applicant/
Liquidator

Date of order: 19.01.2023

Coram:

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)
Shri Charan Singh, Hon'ble Member (Technical)

Appearance:

For Applicant: Shri Mayur Mundra, Advocate

**PER: BENCH
ORDER**

1. This application is filed under Section 54(1) of the Insolvency & Bankruptcy Code, 2016 (herein after referred to as “CODE”) r/w Regulation 45 (3) of Insolvency & Bankruptcy Board of India (Liquidation Process) by the Liquidator appointed for M/s Sri Sai Sindhu Industries Limited, seeking dissolution of the Corporate Debtor M/s Sri Sai Sindhu Industries Limited.
2. The averments in brief of the Application are that;
 - 2.1 This Tribunal vide order dated 24.07.2020 admitted the Company Petition CP (IB) No. 133/7/HDB/2020 filed under Section 7 of the Code by Financial Creditor and ordered initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor/M/s Sri Sai Sindhu Industries Limited and appointed Shri Chandra Sekhar Arasada as Interim Resolution Professional (IRP).
 - 2.2 The Committee of Creditors (COC) in its 5th CoC meeting resolved to liquidate the Company and consequently, this Tribunal vide order passed in IA 08/2021 dated 22.02.2021 ordered liquidation of the Corporate Debtor and appointed the Applicant herein as Liquidator.
 - 2.3 Pursuant to his appointment, the Liquidator caused publication in “Financial Express”, Praja Shakti and “Mana Telengana” newspapers on 25.02.2021 intimating the public about initiation of liquidation proceedings against the Corporate Debtor and inviting claims from the stakeholders.

- 2.4 The Applicant herein verified and collated the claims and filed a list of stakeholders with this Tribunal on 07.05.2021 thereby complying with Regulation 31 of the Liquidation Regulations.
- 2.5 The Liquidator subsequently filed preliminary report as required under Regulation 13 followed by Asset Memorandum as per Regulation 37 of the Liquidation Process Regulations.
- 2.6 The Liquidator has filed six progress reports on the Liquidation process and final report along with Compliance Certificate in Form H.
3. As per the directions of this Tribunal dated 31.10.2022, notice was ordered to the Registrar of Companies {ROC (Hyderabad)} and the Ld. Liquidator has filed proof of service of notice. However, none appeared for RoC (Hyderabad).
4. In the light of above facts and circumstances of the case, the only point that emerges for consideration of the Tribunal is

Whether the Corporate Debtor can be dissolved?

5. We heard the Ld. Counsel for the Liquidator Shri Mayur Mundra and perused the record.
6. At the outset it may be stated that Section 54 of the IBC lays down the criteria for dissolution of the Corporate Debtor.

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.

7. 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).]***

8. Accordingly to the Liquidator, the only asset of the Corporate Debtor is stock of sponge Iron which was sold in the e-auction conducted on 20.12.2021 and credited the proceeds to the account of Sri Sai Sindhu Industries Limited maintained with Bank of Bahrain & Kuwait BSC. The Liquidator has paid all the CIRP costs and Liquidation expenses and distributed the balance amount among the stakeholders as per Section 53 of IBC, 2016 under waterfall mechanism and closed the bank account with Bank of Bahrain & Kuwait BSC on 24.06.2022, a perusal of the said FD shows Nil Balance. Subsequently, the

Liquidator gained knowledge about a FD withheld by Karnataka Forest Department and this Tribunal passed an order in IA 727 of 2022 for extension of time, opened new liquidation account, took measures to return of the said FD and further took steps for closure of FD after distribution of the proceeds. The reopened bank account was closed on 28.09.2022, with NIL balance.

9. The Liquidator is of the opinion that when there is nothing left to recover or realise, then it is a futile exercise to continue with the Liquidation Proceedings. It is averred by the Applicant that there is no Plant & Machinery and Land & Building left in the Corporate Debtor. The liquidation value as per the valuation reports is Rs. 1,45,91,142/. Hence prayed this Tribunal to order dissolution of the Corporate Debtor Company.
10. Though notice was carried out to RoC (H) no report has been furnished as such it is deemed that there is no observation from the side of RoC (H).
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:-
 - 11.1 The Corporate Debtor/M/s **SRI SAI SINDHU INDUSTRIES LIMITED** stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved.

- 11.2. 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.
- 11.3 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.
- 11.4 The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
- 11.5. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
- 11.6. In terms of the above, IA No. 1075 of 2022 filed by the Liquidator appointed for M/s SRI SAI SINDHU INDUSTRIES LIMITED (Corporate Debtor) for dissolution of the Company under Section 54 (1) 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/-

(Charan Singh)
MEMBER (TECHNICAL)

Binnu

SD/-

(Dr. N.Venkata Ramakrishna Badarinath)
MEMBER (JUDICIAL)

