

SL. No.1

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

**PHYSICAL HEARING**

**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 12.12.2023, At 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	IA (IBC)/1815/2023 in Company Petition IB/392/2022
<b>NAME OF THE COMPANY</b>	Srius Business Solutions Pvt Ltd
<b>NAME OF THE PETITIONER(S)</b>	
<b>NAME OF THE RESPONDENT(S)</b>	
<b>UNDER SECTION</b>	10 of IBC

**ORDER**

**IA (IBC)/1815/2023**

Orders pronounced, recorded vide separate sheets. In the result, Resolution plan approved. Accordingly, this application is allowed.

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

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

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**HYDERABAD BENCH – II**

**IA No.1815 of 2023 in**  
**CP(IB) No.392/10/HDB/2022**  
**u/s. 30(6) of IBC, 2016**

**In the matter of**

**M/S. SRIUS BUSINESS SOLUTIONS PRIVATE LIMITED**

Mr. Artham Someswara Rao,  
Resolution Professional of  
M/s. Srios Business Solutions Pvt Ltd,  
Wayside Residency, Flat No.301,  
Tirumala Hills Colony, Manikonda,  
Near Golden Temple Road, Road No.7,  
Hyderabad - 500089,

....Applicant /  
Resolution Professional

**Date of Order: 12.12.2023**

**CORAM:**

Hon'ble Sri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Sri Sanjay Puri, Member (Technical)

**Counsels present:**

For the Applicant : Mr. G. Srikanth, Advocate

Heard on : 21.11.2023

**PER: BENCH**  
**ORDER**

1. This application is filed by the Resolution Professional (**RP**) of the Corporate Applicant M/s Srios Business Solutions Private Limited under Section 30(6) of IBC, 2016 r/w Regulation 39(4) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, seeking approval of the Resolution Plan submitted by the Successful Resolution Applicant (**SRA**)

M/s. Samala Rajashekar & Company, duly approved by the Committee of Creditors (CoC) with 100% voting.

**The facts of the case as per the Applicant:**

2. The initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Applicant was ordered by this Tribunal on 03.02.2023<sup>1</sup>, and the Applicant was subsequently appointed as the Interim Resolution Professional (IRP). Following this, the IRP issued a public announcement in Form-A on 08.02.2023<sup>2</sup>, inviting claims from creditors. The IRP received a claim amounting to Rs.3,64,25,656/- from the Operational Creditor, M/s. Key Solutions Inc. USA. Notably and no claims were received from any Financial Creditor during this process.
3. Following this, the IRP constituted the Committee of Creditors (CoC) with the sole Operational Creditor, M/s. Key Solutions Inc. USA. In the 1st meeting of the CoC held on 04.03.2023, the CoC confirmed the Applicant as the Resolution Professional (RP). Subsequently, this confirmation was approved by this Tribunal through an order dated 27.03.2023<sup>3</sup>.
4. Following the directions of the CoC in its 2nd meeting held on 13.04.2023, the RP published Form-G on 13.04.2023<sup>4</sup>, inviting the Expression of Interest (EoI) from the Prospective Resolution Applicants (PRAs) for the submission of a Resolution Plan for the Corporate Applicant.
5. The Fair Value and the Liquidation Value determined by the Registered Valuers are as under:<sup>5</sup>

<b><u>Name of the Valuer</u></b>	<b><u>Fair Market value (Rs)</u></b>	<b><u>Liquidation value (Rs)</u></b>
Rajesh Jasti	28,99,614.35	28,99,614.35
G Murali Reddy	28,99,614.35	28,99,614.35

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<sup>1</sup> Pg 32-37 of the Application

<sup>2</sup> Pg 38-39 of the Application

<sup>3</sup> Pg 40 of the Application

<sup>4</sup> Pg 41-42 of the Application

<sup>5</sup> Pg 43-74 of the Application

6. In response to the EoI, one Resolution Plan<sup>6</sup> was received from M/s. Samala Rajashekar & Company and after re-negotiations, the final Resolution Plan submitted by M/s. Samala Rajashekar & Company was approved by the CoC in its meeting held on 30.10.2023 with 100% voting<sup>7</sup>.
7. The details of the approved Resolution Plan submitted by the Successful Resolution Applicant are furnished hereunder:

S.No.	Particulars	Amount (Rs.)
1	Resolution Plan amount	30,00,000
2	Resolution Plan period	6 months
3	Payment to various Stakeholders:	
	CIRP cost	At actual (Estimated at 19,00,000)
	Operational Creditors	1,00,000
	CAPEX / Working Capital	10,00,000
4	Mode of Payment	Bank / DD
5	Payment Schedule:	
	CIRP cost	Within 30 days from NCLT Order
	Operational Creditors	Within 30 days from NCLT Order
	CAPEX/Working Capital	Within 6 months NCLT Order
6	Proposed Distribution of Resolution Plan amount among various Stakeholders:	
	Key Solutions Inc. USA	1,00,000

8. The RP issued the Letter of Intent (LoI) on 01.11.2023<sup>8</sup> in favor of the Successful Resolution Applicant (SRA) and the Performance Bank Guarantee for Rs.4,00,000/- was issued in favour of the Company on 02.11.2023 vide NEFT UTR Number CUBH23306014317. The Resolution Plan approved by the CoC is in compliance with the requirements of

<sup>6</sup> Pg 74-114 of the Application

<sup>7</sup> Pg 115-121 of the Application

<sup>8</sup> Pg 131-132 of the Application

Section 30(2) of the Code and Form H<sup>9</sup> issued by RP confirming the compliances of various regulations of IBC.

9. The SRA, M/s. Samala Rajashekar & Company is in the business of acquisition of sick units/companies through NCLT/DRT/Courts and successfully revived those units for the last 8 years by way of individual capacity. As per his declaration, the Net worth of the SRA is Rs.14,33,82,900/-.
10. Furthermore, the SRA has confirmed that:
  - a. He has not been convicted for any offence in the preceding five years, and no criminal proceedings are pending against him.
  - b. He is not disqualified under the Companies Act, 2013, to act as a director.
  - c. He has not been identified as a willful defaulter by any bank or financial institution or consortium thereof, following the guidelines of the Reserve Bank of India.
  - d. He has not been debarred from accessing or trading in securities markets under any order or directions of the Securities and Exchange Board of India.

**Resolution Plan for the Corporate Applicant:**

11. The Resolution Applicant proposes to take over the management and ownership control of the Corporate Applicant by acquiring 100% ownership of the Company, as specified on page 13 of the Plan. The proposed total consideration is Rs.30,00,000/- (Rs.20,00,000/- allocated to CIRP cost and to all stakeholders to be paid within 30 days and Rs.10,00,000/- for Working Capital is proposed to be paid within 6 months from the effective date of this Resolution Plan).

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<sup>9</sup> Pg 122-130 of the Application

12. The CoC comprises the sole Operational Creditor, M/s. Key Solutions Inc., USA, which holds 100% voting share in the CoC.
13. The amounts provided for the Stakeholders under the Resolution Plan is as follows:
  - In accordance with Regulation 38(1)(a) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, Operational Creditors are required to be paid in priority to other creditors. The CIRP Cost will be paid from the upfront payment of Rs.1,00,000/- in priority to all other creditors.
  - Payment of CIRP Costs will be Rs.19,00,000/- or actuals, whichever is higher (as determined by the RP), in priority to payments to Operational Creditors and Secured Financial Creditors. Any CIRP costs over and above Rs.19,00,000/- will be adjusted from the upfront payment.
  - Admitted Claims of Secured Financial Creditors are NIL.
  - Admitted Claims of Workers and Employees, including wages of workers and salaries of employees, including PF, ESI, and Gratuity dues, are NIL.
  - Admitted Claims of Unsecured Financial Creditors are NIL.
  - Admitted Claims of Operational Creditors are Rs. 364.25 lakhs, and the Resolution Plan Payment is Rs. 1,00,000/-(Excluding Workmen and Employees, but including Statutory Dues, and other Dues).
  - A Working Capital/CAPEX in the Company was marked at Rs. 10,00,000/- to be infused within 6 months.
  - No amount is offered to Equity Shareholders because no surplus from the Resolution Amount is available.
14. The Effective Date of the Resolution Plan shall be the date when the Resolution Plan is approved by this Tribunal.
15. This Resolution Plan is valid for a term of 6 months or until all payments are made to all Stakeholders, following the terms and conditions stipulated

in the Resolution Plan. The obligations of the Resolution Applicant to implement the Resolution Plan shall become effective only from the Effective Date.

16. The Monitoring Committee shall comprise:
  - a. A representative of the Committee of Creditors
  - b. A representative of the Resolution Applicant
  - c. Any independent Insolvency Professional appointed by the Resolution Applicant (IBBI registered Insolvency Professional).

All key managerial personnel of the Corporate Applicant would be deemed to have resigned, and new Key managerial personnel shall be appointed by the Resolution Applicant.

17. The Resolution Plan shall become binding on the Corporate Applicant and its employees, members, creditors, guarantors, Central Government, any State Government, any local authority, and other stakeholders involved in the Resolution Plan on the Effective Date.
18. The Resolution Applicant has not sought any reliefs and concessions in the Resolution Plan.
19. It is submitted that the Resolution Plan was approved with 100% voting of the members of CoC and the Resolution Plan:
  - Provides for payment of Insolvency Resolution Process Costs in a manner specified by the board, in priority to the payment of other debts of the Corporate Applicant.
  - Provides for payment of the debts of the Operational Creditors in a manner specified by Regulation 38(1) of the IBBI (Insolvency Resolution Process for Corporate Persons Regulations) 2016.
  - Provides for the management of the affairs of the Corporate Applicant after the approval of the Resolution Plan; and
  - Does not contravene any provisions of the law currently in force.

20. It is submitted that the Resolution Plan is not subject to any contingency; however, the Resolution Applicant has specified that in the case of the occurrence of any Force Majeure event or an event of "Material Adverse Effect" or any stay/injunction being granted for the implementation of the plan, then under such circumstances, the Resolution Applicant would have the right to approach the requisite Adjudicating Authority for the modification or extension of the timeline for the implementation of the Approved Resolution Plan.
21. It is submitted that the Applicant has conducted a thorough compliance check of the Resolution Plan in terms of the Code, as well as Regulations 38 & 39 of the Insolvency and Bankruptcy Board of India (Corporate Insolvency Resolution Process) Regulations, 2016, along with Form 'H' prescribed under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Applicant has appended a tabular summary<sup>10</sup> of its determination of compliance of the Resolution Plan with various provisions and regulations under the Code and CIRP Regulations.
22. With the above facts, relief sought to approve the Resolution Plan submitted by M/s. Samala Rajashekar & Company and to declare as Successful Resolution Applicant.

**The Decision:**

23. We have carefully considered the submissions made by the Counsel for the Applicant RP and also gone through the entire record.
24. Therefore, we are of the view that the instant Resolution Plan satisfies the requirements of Section 30 (2) of the Code and Regulations 37, 38, 38 (1A) and 39 (4) of the Regulations. We also found that the Resolution Applicant is eligible to submit the Resolution Plan under Section 29A of the Code.

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<sup>10</sup> Pg 24-27 of the Application



25. We therefore, hereby approve the Resolution Plan dated 16.10.2023<sup>11</sup> submitted by M/s. Samala Rajashekar & Company in consortium along with annexure, schedules forming part of the Resolution Applicant annexed to the Application and order as under:
- i. The Resolution Plan along with annexures and schedules forming part of the plan shall be binding on the Corporate Applicant, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.
  - ii. All crystallized liabilities and unclaimed liabilities of the Corporate Applicant as on the date of this order shall stand extinguished on the approval of this Resolution Plan.
  - iii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/ liabilities of the Corporate Applicant and shall be dealt with by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned as held by Hon'ble Supreme Court in the matter of ***Ghanashyam Mishra And Sons Private Limited Versus Edelweiss Asset Reconstruction Company Limited*** in CIVIL APPEAL NO.8129 OF 2019 dated 13.04.2021.
  - iv. It is hereby ordered that the Performance Bank Guarantee furnished by the Resolution Applicant shall remain as performance Bank Guarantee till the amount proposed to be paid to the creditors under this plan is fully paid off and the plan is fully implemented.
  - v. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of

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<sup>11</sup> Pg 74 of the Application

Companies (RoC) Hyderabad for information and record. The Successful Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

- vi. Henceforth, no creditors of the erstwhile Corporate Applicant can claim anything other than the liabilities referred to supra.
  - vii. The moratorium under Section 14 of the Code shall cease to have effect from this date.
  - viii. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this order for information.
  - ix. The Applicant shall forthwith send a copy of this order to the CoC and the Resolution Applicant.
  - x. The Registry is directed to furnish free copy to the parties as per Rule 50 of the NCLT Rules, 2016.
  - xi. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data and also forward a copy to IBBI.
26. Accordingly, **IA 1815 of 2023 in CP No.392/10/HDB/2022** stands disposed of.

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

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

**VL**