



S.No.11

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
31-03-2023 AT 10:30 AM

IA(IBC) 1495/2022 in CP(IB) No.815/9/HDB/2019
u/s. 9 of IBC, 2016

IN THE MATTER OF:

M/s. MJR Equipment's Pvt Ltd

...Operational Creditor

VS

Sneha Engineering Equipment 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)**

ORDER

IA (IBC) 1495/2022

Orders in company petition pronounced, recorded vide separate sheets. In the result, this petition is allowed. The Corporate Debtor is here by dissolved effective from today.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - I, HYDERABAD**

**I.A. No.1495/2022 in
C.P. (IB) No. 815/9/HDB/2019
Under Section 54(1) of the IB Code, 2016**

**In the matter of
M/S SNEHA ENGINEERING AND EQUIPMENT PRIVATE LIMITED**

P V B Sudhakar Rao,
Liquidator of M/s.Sneha Engineering and Equipment
Private Limited,
8-3-677/8, Divya Collections, 2nd floor, Near Ganapathi Complex,
SKD Nagar, Yellareddyguda,
Hyderabad – 500 073.

...Applicant/Liquidator

M/s MJR Equipment's Private Limited,
81/7B, Melapatchakudi, Fathima Nagar,
Madhurai Road, Tiruchy – 600 012

....Operational Creditor

And

M/s.Sneha Engineering and Equipment
Private Limited,
R/o D-12, Phase –IV,
Extn I.D.A. Jeedimetla, R.R. District,
Hyderabad – 500 055.

....Corporate Debtor

Date of Order: 31.03.2023

Coram:

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



Counsel present:

For the Applicant : Ms. Mummaneni Vazra Laxmi, Advocate

Heard on : 13.02.2023

Per : Bench

ORDER

1. This application is filed by the Liquidator, seeking for dissolution of the Corporate Debtor i.e. M/s SNEHA ENGINEERING AND EQUIPMENT PRIVATE LIMITED and to discharge the Liquidator from his duty as Liquidator.
2. The facts of the case briefly are as follows:
 - 2.1 The Corporate Insolvency Resolution Process was initiated by virtue of the Order dated 22.02.2021, and Shri Satyanarayana Veera Venkata Chebrolu, was appointed as Interim Resolution Professional (IRP) who was later confirmed as Resolution Professional (RP).
 - 2.2 However, the CoC in its meeting held on 14.08.2021 decided not to call for Expression of Interest as it would be a futile exercise as the Company has no fixed assets except a small piece of land.
 - 2.3 This Tribunal vide order dated 08.09.2021 ordered liquidation of the Company by appointing Shri PVB Sudhakar Rao, the Applicant herein as Liquidator. Upon his appointment as Liquidator, public announcement in Form “B” on 14.08.2021 in “Financial Express” and “Mana Telangana” was issued on 21.09.2021 calling for claims from the stakeholders.



- 2.2 Pursuant to the public announcement, the applicant had received four claims from the stakeholders - Operational Creditors. The same was verified and total amount of claim admitted by the Liquidator was Rs.67,59,134/- and claim acceptance/rejection was intimated to the stakeholders and the list of stakeholders was filed before this Adjudicating Authority on 22/11/2021.
- 2.3 The applicant further submits that he has constituted the Stakeholders Consultation Committee (SCC) under Regulation 31A of the IBBI (Liquidation Process) Regulations, 2016, on 07/11/2021.
- 2.4 The intimation about liquidation order of the CD was sent to all the statutory authorities, i.e., Registrar of Companies, Regional Director, Southern Region (Ministry of Corporate Affairs), Income Tax, GST Department, Employee Provident Fund Organization (EPFO), Employees State Insurance (ESI) etc., on 24-09-2021.
- 2.5 The Applicant had complied with Regulation 13 of the IBBI (Liquidation Process) Regulations, 2016, by filing a detailed Preliminary Report before this Adjudicating Authority on 22.11.2021.
- 2.6 The Liquidator further prepared a detailed Asset Memorandum as required under Regulation 34 of the IBBI (Liquidation Process) Regulations, 2016, and filed the same before this Adjudicating Authority on 09.11.2019.
- 2.7 It is further averred by the Liquidator that four sale notices for sale of the property (land admeasuring 1322.05 sq yards) were issued. The Liquidator was successful in selling the said property in the 4th e-auction published on 29.05.2022. In the said e-auction conducted on 16.06.2022, stipulating a reserve price of Rs. 66,95,645/- two bids were received. Saiyma Shaker,



D/o Mohd Shaker was declared as highest bidder at the price of Rs. 86,95,645/-, pursuant to which a letter of intent was issued by the Liquidator on 22.06.2022.

- 2.8 The entire Liquidation proceeds of Rs. 87,64,909/- realized from the sale of asset were distributed on 23.08.2022 to the stakeholders in accordance with Section 53 of the Code.
- 2.9 A registered sale deed was executed by the Liquidator in favour of the successful bidder dated 19.09.2022 (Page Nos.30-40 of this application) and a Final Report prior to dissolution as per Regulation 45 of the IBBI (Liquidation Regulations), 2016 was filed before this Adjudicating Authority on 09.11.2019.
- 2.9 Further as per Regulation 41(1) of the IBBI (Liquidation Process) Regulations, a separate Liquidation Account in the name of the Corporate Debtor was opened by the Liquidator with the Kotak Mahindra Bank Limited, Srinagar Colony Branch, Hyderabad on 21.10.2021 bearing the Current Account No.4546194261.
3. The Liquidator has filed the progress reports from time to time in compliance with Regulation 15 of the IBBI (Liquidation Process) Regulations, 2016 at the end of every quarter (5 times) intimating the progress of the liquidation process.
4. The valuation report submitted by the Valuer appointed by the IRP on 14.11.2021 for assessing the Liquidation and Fair Value of the asset (Land) of the CD, during the CIRP Process was taken into account for the Liquidation process as well, as there were no significant changes in the property or market scenario during that time. According to the Valuation



Report, the average liquidation value of the Corporate Debtor is computed as Rs.74,03,000/- as against the reserve price of Rs.1,05,76,400/-

5. It is further stated by the Applicant that the bank account (Union Bank of India) of the Corporate Debtor was closed on 20.11.2018 as the dues were paid by the Corporate Debtor under One Time Settlement.
6. It is further stated by the liquidator, the Corporate Debtor is liquidated completely and there are no assets available with the Corporate Debtor to realize and share the proceeds with the stakeholders as per Section 53 of the Code. Thus submitting, the Applicant prayed the Tribunal to pass orders of dissolution of the Corporate Debtor.
7. Pursuant to the directions of issuance of notice to the Registrar of Companies, RoC (Hyderabad) has filed his report dated 02.01.2023 stating no objection to dissolve the Corporate Debtor, as the Company has discharged its debt owed to Union Bank of India, Sanath Nagar Branch and that the last annual statutory returns have been filed up to 31.03.2013. It is further stated in his report that there are no ongoing inquiry, inspection or investigations against the company and, as such requested the Tribunal to pass orders on merits based on the final report submitted by the Liquidator.
14. 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?



15. We heard the Ld. Counsel for the Liquidator Ms.Mummeneni Vazra Laxmi and perused the record.
16. 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.

17. 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).]



18. A perusal of the Compliance Report Form-H filed at page Nos. 48-54 by the Liquidator categorically discloses that the liquidation value of the assets of the Corporate Debtor is valued @ Rs. 74,03,480/- and that the Corporate Debtor does not have any fixed assets. As seen from Form-H, the Liquidator has filed 5 Quarterly Progress Report and the Asset Sales Report to the Adjudicating Authority on 07.10.2021.
19. 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:-
 - 19.2. The Corporate Debtor M/s Sneha Engineering and Equipment Private Limited, stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016 and the Liquidator stands relieved.
 - 19.3. 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.
 - 19.4 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.
 - 19.5 The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
 - 19.6. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
 - 19.7 In terms of the above, IA No. 1495/2022 in CP No. 815/9/HDB/2019 filed by the Liquidator appointed for M/s Sneha Engineering and



Equipment Private 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)

Sd/-
(Dr. N.Venkata Ramakrishna Badarinath)
MEMBER (JUDICIAL)

Vinod