



SL. No.6

**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 03.12.2025 at 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA(IBC)124/2022, IA(IBC)142/2022, IA (IBC)/1032/2025, IA(IBC)144/2022, IA (IBC)/1036/2025 & IA (IBC)/1239/2025 in CP(IB) No.504/10/HDB/2018
NAME OF THE COMPANY	Handum Industries Ltd
NAME OF THE PETITIONER(S)	
NAME OF THE RESPONDENT(S)	
UNDER SECTION	10 of IBC

ORDER

IA (IBC)/124/2022

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

IA (IBC)/142/2022

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

IA (IBC)/1032/2025

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

IA (IBC)/144/2022

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

IA (IBC)/1036/2025

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

IA (IBC)/1239/2025

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

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II

**IA (IBC) No. 142 of 2022 &
IA (IBC) No. 1032 of 2025 in
CP (IB) No. 504/10/HDB/2018**

In the matter of
M/S HANDUM INDUSTRIES LIMITED

Between:

Mr Vamsi Kambhammettu
Liquidator for
M/s Handum Industries Limited,
R/o A85, DX4, Level 2, Road No. 11,
Film Nagar, Jubilee Hills,
Hyderabad – 500 033.

....Applicant

And

Stressed Assets Stabilisation Fund (SASF)

As replaced by

M/s Omkara Assets Reconstruction Pvt Ltd (OARPL),
Regd Office : No.9, M.P. Nagar, First Street,
Kongu Nagar Extension,
Coimbatore, Tirupur,
Tamilnadu – 641 607.
Corporate Office : Kohinoor Square,
47th Floor, N.C. Kelkar Marg,
R.G. Gadkari Chowk, Dadar (West),
Mumbai – 400 028.

....Respondents

Date of order : 03.12.2025

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel present:

For the Applicant : Mr K Poorna Chandra Rao
Mr Vamsi Kambhammettu, Liquidator

For the Respondent : Mr Prasoon Das,
O/o Mr Dishit Bhattacharjee
Mr T Ravichandran



Per : Sanjay Puri, Member (Technical)

ORDER

IA No. 142 of 2022

1. The present application is filed by the Liquidator of M/s Handum Industries Limited (**Handum**), the Corporate Debtor (**CD**) which is presently undergoing liquidation pursuant to the order of this Authority dated 11.06.2021. Through this application, the Liquidator seeks directions to the Respondent, Stressed Assets Stabilisation Fund (**SASF**)¹ to hand over all property documents described in Schedule A of the Application (**the Scheduled Property**)² claimed to be owned by the CD.
2. This application is in continuation of the earlier proceedings in IA No. 124/2022, which also concerned the same scheduled property that had been sold by the Corporate Debtor to M/s Splendid Metal Products Limited (**SMPL**)³ under an unregistered Slump Sale Agreement. Despite the Corporate Debtor having received the full sale consideration and having handed over possession of the property to SMPL, the Corporate Debtor—acting through its Liquidator—had nonetheless prayed for bringing the said property into the Liquidation Estate. The prayers made in IA No. 124/2022 have been rejected and the said application dismissed.
3. Recapitulating the facts involved - the CD had availed a term loan from IDBI Bank on 12.03.2001 for an amount of Rs. 15 crores, and on 10.10.2001, a charge/mortgage was created⁴ in favour of IDBI over the

¹ **Omkara Assets Reconstruction Pvt Ltd (OARPL)** replaced Respondent in this Application upon assignment of Handum Loan account to it by SASF: Allowed in order dated 03.03.2025 in IA No. 403/2025

² A Steel re-rolling Plant—comprising of land, buildings, plant and machinery, and other associated assets situated on land measuring Acres 7–23.11 Guntas at Survey Nos. 296/7/8 & 9 in Bollaram Village, Jinnaram Mandal, Medak District, TS

³ Splendid Metal Products Ltd was earlier known as Sujana Metal Products Ltd: Name changed in Nov'2016

⁴ Page 26 to 38 of the Application



immovable properties⁵ belonging to the Corporate Debtor, the Scheduled Property. IDBI subsequently assigned its debt along with security interests to Stressed Assets Stabilisation Fund (**SASF**), through a Transfer Deed⁶ dated 30.09.2004.

4. As on 29.02.2012, the outstanding loan amount together with accrued interest stood at Rs. 21,68,30,046, when the manufacturing division⁷ of the CD that included the Scheduled Property was sold by the CD to SMPL by way of Slump Sale Agreement⁸, for a total consideration of Rs. 61,08,30,046. After deducting the liability towards SASF, the net consideration of Rs. 39,40,00,000 was paid by SMPL to the Corporate Debtor.
5. In the present application, it is the contention of the Applicant that since the charge created over the Scheduled Property stood fully satisfied upon SMPL taking over of the liability towards outstanding debt to SASF, the Respondent SASF—being the assignee and chargeholder—is under an obligation to return all security documents pertaining to the said property. It is submitted that, upon discharge of the entire liability, SASF was required to hand over the original title deeds and all other connected documents that had been furnished by the Corporate Debtor as security. The Liquidator therefore prays for a direction to SASF to deliver the aforesaid documents to the Corporate Debtor's estate.
6. In the reply filed on behalf of the Respondent SASF, the financial difficulties faced by SMPL have been narrated, and which led to SMPL being admitted⁹ in CIRP on 04.04.2019. it has been pointed out that in

⁵ Situated at the survey numbers 296/7/7/8 & 11 (admeasuring 5 Acres 8.11 Gunthas), and Survey Nos. 296/7/7/8 & 11 and 296/7/8 & 9 (admeasuring 4 Acres 6 Gunthas)

⁶ Page 40 to 62 of the Application

⁷ Description of the assets sold at Page 69 of the Application

⁸ Page 64 to 71 of the Application

⁹ CP(IBC) No. 666/7/HDB/2018



July 2008 SASF had approved SMPL's proposal to "take over of assets, liabilities and management" of Handum as part of Corporate Debt Restructuring (**CDR**) arrangement.

7. It is pointed out that the Slump Sale Agreement of 29.02.2012 reflected this arrangement where the assets and liabilities of the CD were taken over by SMPL, as incorporated in the agreement itself in the following manner:

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

- a) The effective date for the slump sale is 29.02.2012 closing hours.
- b) Upon the terms and conditions of this Agreement, SELLER agrees to sell its Rerolled Steel Products Division consisting of assets of Land & Buildings including movable & immovable assets, intellectual property, licenses, permits, consents and approvals whatsoever, and liabilities pertaining to the Company's business of manufacturing Rerolled Steel Products situated at Sy.No. 296/7/8 &11, IDA Bollaram, Jinnaram Mandal, Medak District, Andhra Pradesh (more particularly described in the Schedule hereto) and possession to the Buyer on Slump Sale basis and the Buyer agrees to acquire the said division for a Total Lumpsum Consideration of Rs.61,08,30,046/- (Rupees Sixty One Crores Eight Lakhs Thirty Thousand and Forty Six only) the details of which are as follows:

PARTICULARS	AMOUNT (RUPEES)
Total Lumpsum Consideration	61,08,30,046
Less : Liabilities taken over by the Buyer pertaining to the Seller's IDBI Term Loan Liability along with Interest Accrued and due and Interest Accrued and not due.	21,68,30,046
Net Lumpsum Consideration	39,40,00,000

The Net Lumpsum Consideration of Rs 39,40,00,000/- (Rupees Thirty Nine Crores Forty Lakhs only) had already been paid by the the buyer and the seller doth hereby acknowledges the receipt of the Net Lumpsum Consideration.

Since SMPL failed to honour its liabilities, the CDR was cancelled by SASF and subsequently SMPL went under CIRP. The charge created on the scheduled property that was created earlier in respect of the debt owed by Handum (taken over by SMPL as part of slump sale agreement) remained undischarged. It is thus



contended that since there is no satisfaction of Charge over the assets of Handum, the CD, the present application may be dismissed.

8. We have heard the parties and examined the material placed on record. Upon due consideration, we find the present application to be wholly misconceived, frivolous, and not maintainable in law. The sole premise on which the Applicant–Liquidator seeks relief is that, upon transfer of the SASF loan to SMPL with the concurrence of SASF, the charge originally created by the CD in favour of SASF stands extinguished. On this basis, it is urged that the title documents deposited with SASF must be returned to the CD and that SASF ought to record satisfaction of charge with the Registrar of Companies. This contention, however, is fundamentally flawed and unsupported by law or fact.
9. It is evident from the record that the charge created over the scheduled property has, at all times, remained undischarged. SMPL, which stepped into the shoes of the Corporate Debtor by taking over both the charged assets and the underlying liability, of the outstanding debt originally owed to IDBI and subsequently assigned to SASF has remained unpaid. In the absence of such repayment, the charge continues to subsist in favour of SASF.
10. The mere transfer of the secured asset along with the liability to SMPL does not, in any manner, extinguish or satisfy the charge. Until the secured creditor receives full and final payment of the dues, the charge remains operative and enforceable in law.
11. It is well-settled that a mortgage, and the corresponding charge, stands extinguished only upon full payment of the mortgage



money or upon the lawful extinguishment of the mortgagor's right of redemption by a deed, decree, or registered instrument. As affirmed by the courts, that only ***“on the payment of the mortgage money by the mortgagor to the mortgagee the mortgage comes to an end and the right of the mortgagee to remain in possession also comes to an end”***¹⁰

12. In the present case, and in the context of the IBC, the resolution of SMPL has not culminated in any satisfaction of the secured debt. The mortgage money has neither been paid by the original mortgagor (the Corporate Debtor), nor by SMPL, which took over both the charged asset and the associated liability under the slump sale agreement dated 29.02.2012. Even during the CIRP of SMPL, the secured creditor SASF (or its successor OARPL) has not relinquished its charge over the scheduled property. Accordingly, the mortgage continues to subsist in law.
13. Under the circumstances, we are unable to grant the prayer of the that SASF (or its successor OARPL) be directed to hand over all property documents described in Schedule-A of the Application to the Applicant Liquidator of Handum.

The Application in IA No. 142/2022 is dismissed.

IA No. 1032 of 2025

The relief sought in the present application pertains to the very same property that forms the subject matter of IA No. 142/2022, and the Applicant has reiterated the same contentions advanced in that proceeding. Since IA No. 142/2022 has already been

¹⁰ Prithi Nath Singh v. Suraj Ahir, 1962 SCC OnLine SC 310 : (1963) 3 SCR 302 : AIR 1963 SC 1041



dismissed, the present application (IA No. 1032/2025) must necessarily meet the same fate. Accordingly, the application IA No. 1032 is also dismissed.

Sd/-

**(SANJAY PURI)
MEMBER (TECHNICAL)**

Sd/-

**(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)**

VL