

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

MA/5/2021 in CP/665/IB/2017

*(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016
read with Regulation 47A)*

In the matter of SBQ Steels Limited

Ashish Arjunker Rathi

Liquidator

M/s. SBQ Steels Limited

19/503, NRI Complex, Sector 54,

56,58, Seawoods,

Nerul, Navi Mumbai,

Maharashtra – 400706

...Applicant

Order Pronounced on 11th February 2022

CORAM:

**JUSTICE (RETD) S. RAMATHILAGAM, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)**

For Applicant:

Srinath Sridevan, Advocate

TK Bhaskar, Advocate

K Harishankar, Advocate

Bhagavath Krishnan, Advocate

ORDER

Per: Justice (Retd.) S. RAMATHILAGAM, MEMBER (JUDICIAL)

This MA/5/2021 has been filed by the Applicant under Section 54 of the Insolvency and Bankruptcy Code, 2016 seeking following reliefs:

- a. to exclude a period of 186 days from the Liquidation period in relation to the timelines of Liquidation Process of the Corporate Debtor and thus render justice.
- b. to fix an early date for hearing the Applications mentioned in Paragraph 4.16 in the typed set of

Application vis., MA/552/2018, MA/628/2019,
MA/631/2018, MA/131/2020

- c. to pass an order of dissolution of SBQ Steels Ltd. under section 54 of the Code and consequently discharge the Applicant herein as Liquidator of the Corporate Debtor and thus render justice.
- d. a copy of the dissolution order hereunder shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered in accordance with Section 54(3) of the IBC, 2016.

2. It is averred in the Application that SBQ Steels Ltd. (hereinafter the "Corporate Debtor") was ordered for Liquidation by this Tribunal under Section 33 of the Insolvency and Bankruptcy Code, 2016 (hereinafter the "Code") vide Order dated 30.01.2019 passed in MA/635/2018 in CP/665/IB/CB/2017.

3. It is submitted by the Learned Counsel for the Applicant that on 02.05.2019, the Applicant herein filed the Asset Memorandum listing all the available assets for sale under the Liquidation Process of the Corporate Debtor and the valuation of the Liquidation Estate as per Regulation 35 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter the "Liquidation Regulations").

4. Subsequently, several auctions were conducted for the sale of the Corporate Debtor as a Going Concern. It is submitted that,

on 23.01.2020, a 3rd e-Auction was conducted however, due to the bid amounts being lesser than the Reserve Price, the Applicant filed an IA/336/2020 before this Tribunal to confirm the bid of one of the highest bidders; that the same was cancelled by the Tribunal vide order dated 01.07.2020 with liberty to takeout fresh auctions. The Applicant, as per direction of this Tribunal, conducted the 4th e-Auction on 07.08.2020 in which Liberty Group Pte Ltd (hereinafter "Liberty") was declared as highest bidder with a total consideration of the transaction is 262.45 Crore with interest of Rs. 7.94 Crore for delay in payment beyond 30 days and applicable taxes.

5. It is submitted by the Learned Counsel for the Applicant that on 10.08.2020, the Applicant and 2nd Applicant herein executed the Letter of Intent as per Clause 12 to Schedule 1 of the Liquidation Regulations; that on 11.08.2020, Liberty also confirmed the mode of purchase as "set of assets collectively" as per Section 32(c) of the Liquidation Regulation and for completing the transaction, Liberty incorporated a special purposes vehicle vis., Liberty Steel SBQ Limited (hereinafter "Liberty SPV").

6. It is further submitted by the Learned Counsel for the Applicant on 08.12.2020 upon order passed by this Tribunal in IA/888/2020, the Liberty SPV made the complete payment of the

sale consideration and on 10.12.2020, the Applicant herein issued the sale certificate and handed over the possession of all the assets to the Liberty SPV. The consideration from Liberty SPV was distributed to the Stakeholder as per Section 53 of the IBC, 2016. It is submitted that, the Final Report which includes compliance certificate in Form H under Regulation 45 of the Liquidation Regulations is attached in pages 71-112 along with the typed set of Application.

7. It is further submitted by the Learned Counsel for the Applicant that as there are no other assets, other than certain machineries that are in the possession of the Customs Department forming subject matter of MA/131/2020 is pending adjudication before this Tribunal; that, as on date, the Applications viz. MA/552/2018, MA/628/2019, MA/631/2018 and MA/131/2020, are pending disposal before this Tribunal, in which huge sums are to be returned to the Corporate Debtor.

8. It is submitted by the Learned Counsel for the Applicant that in the present case, the Order of Liquidation was passed on 30.01.2019 and delivered to the Applicant on 18.02.2019. Therefore, two years Liquidation period under Regulation 44 of the Liquidation Regulations came to an end on 18.02.2021; that, on account of COVID-19 and imposition of nation-wide lockdown by

the central government from 24.03.2020 and its subsequent extension till 30.09.2020, the Applicant relies on Regulation 47A of the Liquidation Regulations and prays for the exclusion of 186 days from the Liquidation Period and this exclusion stands **allowed**.

9. Heard the submissions made by the Learned Counsel for the Applicant. Section 54 of the IBC, 2016 provides as follows: -

Section 54

“(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.”

10. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has been completely liquidated and in the said circumstances as averred and as prayed for by the Applicant that an order for dissolution is required to be passed by this Adjudicating Authority under Section 54 of the IBC, 2016.

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11. Accordingly, we hereby order for the dissolution of the Corporate Debtor viz., **M/s. SBQ Steels Limited** and the Liquidator is directed to forward a copy of this Order to the RoC concerned and also to the IBBI for its records within a period of 7 days from the date of this Order. Accordingly, MA/5(CHE)/2021 stands **Allowed**.

-Sd-

B. ANIL KUMAR
MEMBER (TECHNICAL)

-Sd-

Justice (Retd.) S. RAMATHILAGAM
MEMBER (JUDICIAL)

Haripriya