

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD**

SPECIAL BENCH - COURT 1 (HEARINGS THROUGH VIDEO CONFERENCE)

**PRESENT: HON'BLE SHRIMADAN BHALCHANDRA GOSAVI- MEMBER JUDICIAL  
HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 08.07.2021 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC) No. 301/2021 in CP (IB) No. 339/7/HDB/2020
NAME OF THE COMPANY	SSP Sponge Iron Pvt Ltd
NAME OF THE PETITIONER(S)	Rajoli Venkata Ramana Reddy
NAME OF THE RESPONDENT(S)	SSP Sponge Iron Pvt Ltd
UNDER SECTION	7 of IBC

**Counsel for Petitioner(s):**


Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

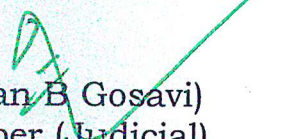
**Counsel for Respondent(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**ORDER**

**Orders pronounced vide separate sheets. The Petition is allowed.**

  
(Veera Brahma Rao Arekapudi)  
Member (Technical)

  
(Madan B Gosavi)  
Member (Judicial)

IA (IBC)/301/2021  
In CP (IB) No. 339/7/HDB/2020  
Date of Order: 08/07/2021

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

IA (IBC)/301/2021  
In CP (IB) No.339/7/HDB/2020

Application under Section 33(2) read with section 60(5) of  
the Insolvency and Bankruptcy Code, 2016

**In the matter of M/s. S S P Sponge Iron Private Limited**

**Filed by**

Mr. Chandra Sekhar Arasada  
Resolution Professional of M/s. S S P Sponge Iron Private Limited  
Plot.1183, H.No. 8-3-430/1/23,  
1<sup>st</sup> Floor, Street No. 10, Yellareddyguda, Ameerpet  
Hyderabad – 500073.

...Applicant/  
Resolution Professional

**Date of order: 08/07/2021**

**Coram**

Hon'ble Shri Madan Bhalchandra Gosavi, Member (Judicial)  
Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

**Parties/ Counsels present:**

For the Applicant : Shri CA. Chandra Sekhar Arasada, Resolution  
Professional-in-person.

**Heard on: 02/07/2021.**

**PER: BENCH**

1. The instant Application is filed by the Resolution Professional of the Corporate Debtor, M/s. S. S. P. Sponge Iron Pvt Ltd under Section 33 (2) of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "Code") for the liquidation of the Corporate Debtor due to non- receipt of resolution plan.
2. The Insolvency Petition was filed by Mr. Rajoli Venkata Ramana Reddy under Section 7 of the Code against the Corporate Debtor vide CP (IB) No. 339/7/HDB/2020 and the same was admitted by this Tribunal vide order dated 06/01/2021. Shri CA. Chandra Sekhar Arasada, the Applicant herein is appointed as the Interim Resolution Professional (IRP) for the Corporate Debtor.
3. The Applicant took out public announcement inviting claims from all the stakeholders and conducted 1<sup>st</sup> meeting of Committee of Creditors (CoC) and in the meeting the IRP was appointed as Resolution Professional (RP) to conduct Corporate Insolvency Resolution Process (CIRP) on 03/02/2021.
4. In the 2<sup>nd</sup> meeting of CoC the RP appointed two Registered Valuers to determine fair value and liquidation value of the Securities & Financial Assets and also appointment of Auditor for determining the transactions falling under Sections 43, 45, 50 & 66 of the Code. The applicant has published Expression of Interest (EoIs) in Form G in the newspapers, one in English and in Vernacular Telugu in the State of Telangana on 22/03/2021.
5. The applicant has extended the time period for receiving the EoIs and received two EoIs. To the queries related to the advertisement the



applicant informed the non- possession of the same by the Corporate Debtor, as the said assets were sold for payment of OTS amount to the bank, with the consent of the bank.

6. In the 3<sup>rd</sup> meeting of CoC held on 16/06/2021, due to non-availability of resolution plan the CoC members voted in favour of liquidation of the Company by a vote of 100% and resolved to seek liquidation of the Corporate Debtor and to appoint the Applicant herein, the RP as Liquidator of the Corporate Debtor.
7. We have heard the Applicant in the matter. The Hon'ble Apex Court in K. Sashidhar vs. Indian Overseas Bank and Ors (2019) 148 LA 497 (SC) inter-alia held that,  
**“The Adjudicating Authority (NCLT) is not expected to do anything more; but is obligated to initiate liquidation process under Section 33 (1) of I&B Code. The legislature has not endowed the adjudicating authority (NCLT) with the jurisdiction or authority to analyse or evaluate the commercial decision of the CoC much less to enquire into the justness of the rejection of the resolution plan by the dissenting financial creditors”.**
8. From the above, it would appear that despite all possible steps as required under the Code taken during the CIRP, the CoC did not receive any viable resolution plan/proposal for revival of the Company. The CoC in its wisdom has resolved in favour of the liquidation of the Company. This Authority has no reason before it to take a contrary view in terms of Section 33 (1) (a) of the Code. Therefore, we have no option than to pass an order for liquidation of the Company in the manner laid down in Chapter-III of the Code.


*Abhishek*

*[Signature]*

**ORDER**

9. The Application is accordingly allowed with the following directions:-

- a) The Corporate Person i.e., M/s. S S P Sponge Iron Pvt Ltd shall be liquidated in the manner laid down in Chapter-III of the Code.
- b) The Applicant Shri Chandra Sekhar Arasada, presently RP of M/s. S S P Sponge Iron Pvt Ltd is appointed as Liquidator.
- c) He shall issue public announcement stating that the Corporate Debtor is in liquidation.
- d) The Moratorium declared under Section 14 of the code shall cease to operate here from.
- e) Subject to Section 52 of the Code, no suit or other legal proceedings shall be instituted by or against the Corporate Debtor. This shall however not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- f) All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
- g) The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the





Code, read with Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- h) Personnel connected with the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as would be required for managing its affairs.
- i) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34 (8) of the Code.

**VEERA BRAHMA RAO AREKAPUDI**  
**MEMBER (TECHNICAL)**

**MADAN BHALCHANDRA GOSAVI**  
**MEMBER (JUDICIAL)**