

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD

SPECIAL BENCH - COURT 1 (HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI BHASKARA PANTULA MOHAN – MEMBER JUDICIAL
HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 22.02.2021 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC) No. 08/2021 in CP (IB) No. 133/7/HDB/2020
NAME OF THE COMPANY	Sri Sai Sindhu Industries Ltd
NAME OF THE PETITIONER(S)	Gongal Reddy Sesha Reddy
NAME OF THE RESPONDENT(S)	Sri Sai Sindhu Industries 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

IA 8/2021 in CP(IB) 133/7/HDB/2020 is listed today for orders.
IA is allowed. Orders pronounced vide separate orders.


MEMBER (T)

Syamala


MEMBER(J)

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

**IA No. 08 of 2021
In
CP (IB) No. 133/7/HDB/2020**

Application under Section 33 (2) of IBC, 2016

In the matter of M/s Sri Sai Sindhu Industries Limited

Filed by

Mr. Chandra Sekhar Arasada
Resolution Professional for
M/s Sri Sai Sindhu Industries Limited

**...Applicant
/Resolution Professional**

AND

M/s Sri Sai Sindhu Industries Limited
Plot 1183, H.No. 8-3-430/1/23, 1st Floor
Street No. 10, Yellareddyguda, Ameerpet
Hyderabad – 500073

**Respondent/
Corporate Debtor**

Date of order: 22.02.2021

Coram:

Hon'ble Shri Bhaskara Pantula Mohan, Member (Judicial)

Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

Appearance:

For Applicant: Mr. Chandra Sekhar Arasada, Party in person

Heard on: 10.02.2021



**PER: SHRI VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)**

1. This is an Application by the Resolution Professional under Section 33 (2) of the Insolvency and Bankruptcy Code, 2016 (herein after referred to as CODE) seeking orders for liquidation of M/s Sri Sai Sindhu Industries Limited/ Corporate Debtor.
2. This Tribunal vide order dated 24.07.2020 admitted the petition bearing CP (IB) No. 133/07/HDB/2020 under Section 7 of the Code initiating Corporate Insolvency Resolution Process (CIRP) of the Company and appointed Mr. Chandra Sekhar Arasada as Interim Resolution Professional who was subsequently confirmed as Resolution Professional as per the decision taken in the 1st CoC Meeting held on 27.08.2020. Despite publishing Form G twice, no EOIs have been received by the Resolution Professional, which was informed to the CoC in the 5th CoC Meeting held on 29.12.2020. The CoC voted in favour of liquidation of the Company by a vote of 100% and resolved to seek liquidation of the Corporate Debtor. The Applicant has given his consent to act a Liquidator.
3. We have heard the Applicant in the matter. This Application is filed seeking initiation of Liquidation proceedings of Corporate Debtor. 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".
4. 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 with 100% voting



share 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.

ORDER

5. The Application is accordingly allowed with the following directions:-
- (a) The Corporate Debtor i.e **M/s Sri Sai Sindhu Industries Limited** shall be liquidated in the manner laid down in Chapter-III of the Code.
 - (b) The Applicant Mr. Chandra Sekhar Arasada, presently RP of **M/s Sri Sai Sindhu Industries Limited** 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.
- (j) This order shall be deemed to be a notice of discharge to the Officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- (k) Copy of the order shall be furnished to IBBI, to the Regional Director, Ministry of Corporate Affairs, Registrar of Companies & Official Liquidator, Hyderabad, the Registered Office of the Corporate Debtor and the Liquidator.


(VEERA BRAHMA RAO AREKAPUDI)
MEMBER (TECHNICAL)


(BHASKARA PANTULA MOHAN)
MEMBER (JUDICIAL)

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