

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Video Conference

**CORAM: HON'BLE BHASKARA PANTULA MOHAN-MEMBER JUDICIAL
CORAM: HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 22.03.2022 AT 10:30 AM THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/160/2022 in CP (IB)No.430/7/HDB/2020
NAME OF THE COMPANY	K.R.R. Infra Projects Pvt Ltd
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	K.R.R. Infra Projects Pvt Ltd
UNDER SECTION	7 of IBC

ORDER

IA No. 106/2022:

Order pronounced via separate orders, order under Section 33 of IBC, 2016 for liquidation is allowed.



MEMBER (T)

Nilesh



MEMBER (J)

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

IA No.106 of 2022
In CP (IB) No.430/07/HDB/2020

In the matter of
M/s. KRR INFRAPROJECTS PVT LTD

Mr. Krishnamohan Gollamudi
Resolution Professional of
M/s KRR Infraprojects Private Ltd.,
And on behalf of the Committee of Creditors

...Applicant /
Resolution
Professional

Date of Order: 22.03.2022

Coram: Shri Bhaskara Pantula Mohan, Member Judicial
Dr. Binod Kumar Sinha, Member Technical

Parties/Counsel(s) Present:

For the Applicant : Mr. Krishnamohan Gollamudi, RP

[Per Bench]

ORDER

1. The present Application bearing IA No. 106/2022 in CP(IB)No.430/7/HDB/2020 is filed U/s. 33(2) read with Section 34(1) of the I&B Code, 2016 by Resolution Professional *inter-alia* to:-
 - a. Order for Liquidation of the Corporate Debtor viz., KRR Infra Projects Pvt Ltd, which shall be conducted in the manner as laid down in Chapter III of Part II of Insolvency and Bankruptcy Code, 2016.



- b. Appoint Mr. Krishna Mohan Gollamudi, Resolution Professional as the “Liquidator” of the Corporate Debtor as per the Provisions of Section 34 of the Code.
 - c. Order for the Liquidator fee as applicable under Regulation 4(2) of IBBI (Liquidation Process) Regulations 2016.
2. Brief facts as stated by the Applicant are as follows:-
- a. That the Company Petition for initiation of Corporate Insolvency Resolution Process (CIRP) which was filed by the Financial Creditor namely M/s State Bank of India under section 7 of the IBC, 2016 against the Corporate Debtor has been admitted for CIRP on 06.08.2021 and Mr. Krishna Mohan Gollamudi was appointed as the Interim Resolution Professional. That in the second CoC meeting of the Committee of Creditors held on 1.10.2021, it was decided to confirm the IRP as Resolution Professional.
 - b. That due to write off of the current assets like investments, stocks / inventory, receivables and fixed assets like plant and machinery (earth moving equipment) through the financial years from 2016-17 to 2020-21 as submitted by the suspended Executive Director, the Committee of Creditors, in the third CoC meeting decided and appointed M/s KVNR & Associates, Chartered Accountants, as Forensic Auditors. The Final Report of the forensic auditor on his findings falling under Sections 43, 45, 60 and 66 of the Insolvency & Bankruptcy code, 2016 and regulations thereof is yet to be received.
 - c. That Karnataka Bank Ltd submitted its claim on 03.01.2022, justifying reasons for delayed submission, which was considered and claim was admitted. Accordingly, CoC was reconstituted on 13.01.2022.



- d. That as per the provisional financials submitted by the suspended Executive Director and later on confirmed by the audited financial statements of the Corporate Debtor, there are no fixed assets but there exist lot of litigations in respect of the receivables.
- e. That in the 4th CoC Meeting held on 24.01.2022, the members deliberated on the discussions having taken place in the 2nd and 3rd meetings of Committee of Creditors to do away with the exercise of invitation for Resolution Plan as per Regulation 36 of CIRP Regulations, 2016, due to the facts that (i) there are no assets available as per the financial statements submitted by the suspended directors of the Board and (ii) there is no clarity on the possibility of realization of receivables which are under litigations because of which the chances of continuing the Corporate Debtor as a going concern and getting resolution plans are remote.
- f. That after further deliberations and evaluating the situation, the CoC resolved to go for liquidation of the Corporate Debtor by filing an application before the Adjudicating Authority to liquidate the Corporate Debtor, and authorized the Resolution Professional for filing necessary application before this Adjudicating Authority for necessary orders.
- g. That the Resolution Professional offered to act as Liquidator and submitted written consent in the form specified as required under Sec 34(1).
- h. That the Committee of Creditors in their meeting held on 24.01.2022 approved liquidation of the Corporate Debtor by passing the following Resolution and approved other relevant resolutions as under:



“RESOLVED THAT pursuant to the Sec 33(2) of Insolvency Bankruptcy Code, 2016 and rules made thereunder. The Committee of Creditors hereby approve the liquidation of the Corporate Debtor, M/s. KRR Infra Projects Pvt Limited, as CoC is of the opinion that no fixed assets, as per the audited financials submitted by the suspended Director are available and no possibility of getting any Resolution Plans.”

“FURTHER RESOLVED THAT the Committee of Creditors, hereby authorize the Resolution Professional, Mr. Krishna Mohan Gollamudi to file the necessary application before the Adjudicating Authority to initiate Liquidation process of the Corporate Debtor, M/s KRR Infra Projects Pvt. Limited.”

“RESOLVED THAT pursuant to Regulation 39 (B) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, the Committee of Creditors here by approve the estimated liquidation cost of Rs.6,00,000/- (Rupees Six lakhs only), excluding the Liquidator’s fees, of Corporate Debtor, M/s KRR Infra Projects Pvt Limited”.

“FURTHER RESOLVED THAT the liquidation cost will be contributed by the Financial Creditors in proportion to Financial Debts owed to them by the Corporate Debtor, in terms of Regulation 2A of IBBI (Liquidation Process) Regulations 2016.

The above Resolutions have been approved with 93.20% of the voting share of all the members of the Committee of Creditors and 100% of the voting share of the members present.

- i. That with regard to Liquidator fee under Regulation 4(2) of IBBI (Liquidation Process) Regulations 2016 the following Resolution was passed as under:



“RESOLVED THAT pursuant to the Regulation 39D of IBBI (Insolvency Resolution Process for Corporate Person) Regulations 2016, the Committee of Creditors hereby approve the fees of the liquidator at Rs.1.50 lakhs plus GST per month during the period of liquidation process of the Corporate Debtor, M/s KRR Infra Projects Pvt Limited.”

The above Resolution has been approved with 93.20% of the voting share of all the Committee of Creditors.

3. Heard the RP and perused the records.
4. In view of the facts and circumstances as recorded by IRP in IA No. 106 of 2022 filed in CP(IB) No. 430/7/HDB/2020, since this Adjudicating Authority did not receive any Resolution Plan under Sub-Section (6) of Section 30 of the I&B Code, 2016, this Adjudicating Authority deems it proper to allow the Application bearing IA No.106/2022. Accordingly, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, we proceed to pass Order as follows:—
 - (i) This Adjudicating Authority hereby order for Liquidation of M/s. KRR Infracorps Private Limited which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
 - (ii) This Adjudicating Authority hereby appoint Mr. Krishna Mohan Gollamudi as Liquidator as resolved by CoC. He has already filed his consent to act as Liquidator in the present case along with valid Authorisation for Assignment (AoA). He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;





- (iii) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of Liquidation;
- (iv) Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.
- (v) We make it clear that para (iv) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- (vi) 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.
- (vii) All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested in the Company Liquidator viz., Mr. Krishna Mohan Gollamudi. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (viii) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Company Liquidator as may be required by him in managing the affairs of the Corporate Debtor.



- (ix) The Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016.
- (x) The Liquidator shall be entitled to charge such fee for conducting the Liquidation proceedings in accordance with the decision taken by the CoC under Regulation 39D of IBBI (Insolvency Resolution Process Corporate Persons) Rules, 2016 read with Regulation 4(1) of IBBI (Liquidation Process) Regulations, 2016.
- (xi) Copy of this Order shall be sent to the concerned Registrar of Companies, RD, OL, Registered Office of the Corporate Debtor and Company Liquidator viz., Mr. Krishna Mohan Gollamudi for information and compliance.
- (xii) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.
5. Accordingly, Application bearing IA No. 106/2022 stands disposed off.

Dr. Binod Kumar Sinha
Member Technical

Bhaskara Pantula Mohan
Member Judicial