

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

IA No. 569/2021
in

CP(IB) No. 398/2016 in TP (HCW) No. 64/HDB/2017

*U/s. 60(5) of Insolvency & Bankruptcy Code, 2016
R/w Regulation 45(3) of the IBBI (Liquidation Process) Regulations, 2016*

In the matter of:

Indian Renewable Energy Development Agency Limited.
India Habitat Centre,
1st Floor East court core.
4A Lodhi Road New Delhi -- 110003

.... Financial Creditor

Vs.

FREE OF COST COPY

M/s Turbomachinery Engineering Industries Ltd.
Company Identification: U29219TG1987PLC007207
6-3-663/C, Officer's colony, Punjagutta,
Hyderabad, Telangana - 500082

...Corporate Debtor

Date of Order: 17.06.2022

Coram:

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

Parties / Counsels present:

For the Petitioner : Mr. Shankar Raman Seetharaman, Liquidator.

[Per: Bench]

ORDER

1. This is an Application filed by the Liquidator for closure of Liquidation Process filed by the Liquidator under Section 60(5)(c) of the Insolvency and Bankruptcy Code 2016, read with Regulation 45 (3) of the





Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The Prayer sought by the Liquidator is as under:

- a. To That the Liquidation Process of the Corporate Debtor i.e. M/S Turbo/Machinery Engineering Industries Limited (having CIN L29219AP1987PLC007207) has been closed as the Corporate Debtor is sold as a going concern in Liquidation as per Regulation 45(3) (a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
 - b. To pass such other order or Orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the matter.
2. Brief facts of the case as stated by the Applicant are as under:
- a. That this Adjudicating Authority admitted the Corporate Debtor for CIRP and appointed Mr. Sivanagaraja Taduvai as Interim Resolution Professional vide order dated 10.10.2018 in TP(HCW)/64/HDB/2017 in CP (IB) No. 398/2016 U/s 7 of IBC and subsequently the Interim Resolution Professional continued as the Resolution Professional.
 - b. That as the resolution plan was rejected by the committee of creditor, IA 651/2019 was filed by the Resolution Professional for initiating Liquidation Process. This Adjudicating Authority on 06.11.2019 initiated the liquidation process of the Corporate Debtor M/s Turbomachinery Engineering Industries Ltd under Section 33 of the IBC. The Applicant herein was appointed as the Liquidator vide order dated 20.11.2019.
 - c. That the Liquidator after forming the Stakeholders consultation committee conducted first meeting of the Stakeholders on 28.02.2020.
 - d. That no proper scheme of compromise proposal was received during the period of 90 days. The Applicant in IA 148/2020 filed IA 767&768/2020 for further extension of time by 90 days for compromise scheme under Regulation 2B of Regulations read with Section 230 of the Companies Act 2013.



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- e. That the erstwhile director Shri. Thota Venkateshwalu, filed IA 879 of 2020 objecting to the Sale Notice in lieu of pending IA for extension of time for compromise arrangement in IA 767&768/2020.
- f. That while the matter was pending in IA No. of 768,769&879 and there was no specific direction, the auction was conducted on the proposed date of 09.10.2020.
- g. The Corporate Debtor was sold as a going concern at Rs. 7,40,00,000/- against reserve price of Rs.6,20,00,000/- to the successful bidder M/s. Hytasu Corporation (Proprietor Shri Rama Krishna Nattuva) and the Liquidator informed the secured financial creditor regarding the sale on the same day.
- h. The Liquidator issued Letter of Intent on 12.10.2020 and the successful bidder submitted the accepted Letter of Intent to the Liquidator.
- i. That this Adjudicating Authority vide its interim order dated 16.10.2020 in IA 767, 768 and 879/ 2020 directed the liquidator to not to proceed with the sale or liquidate the assets of the Corporate Debtor. The same was communicated to the successful bidder.
- j. That the NCLT vide its final order IA 767, 768 and 879 dated 07.01.2021 closed all three IAs as infructuous. The same was communicated to the successful bidder.
- k. That this Adjudicating Authority vide its order in IA 62 of 2021 dated 05.03.2021 extended the liquidation period by 248 days.
- l. That the successful bidder paid an amount of Rs. 1,17,00,000/- as part of the sale consideration on 09.03.2021, Rs. 2,00,00,000/- on 12.05.2021, Rs. 92,00,000/- on 10.06.2021 and Rs. 3,00,00,000/- on 16.06.2021 and also paid interest amounts of Rs. 3,81,370/- towards 58 days delayed payments on 12.05.2021, Rs.2,63,146/- towards 87 days delayed payment on 10.06.2021 and Rs.



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9,17,261/- towards 93 days delayed payment on 16.06.2021. The interest amounts were paid on 24.06.2021.

- m. That on the request made by the successful bidder vide letter dated 13.05.2021 on the extra-ordinary circumstances of he being personally infected with Covid-19 pandemic in May, 2021 and also the lockdown imposed by the government in May 2021, the extension of time beyond 90 days was considered by the liquidator considering the extra-ordinary circumstances of the case, the intention demonstrated by the successful bidder from time to time, the overall interest of the case and overall humane approach.
- n. That the Liquidator made almost the entire distribution of the liquidation proceeds immediately thereafter as per the order of priority as stipulated in Section 53 of IBC, 2016 and also received confirmation from the Stakeholders towards the same.



o. That the delay in payment of CIRP cost to State Bank of India (respondent) is on account of delay in submission of CIRP Cost details by respondent and there by computation of liquidator fee under regulation 4, which is dependent on the amount of CIRP cost. On receipt of confirmation on October 08, 2021 the amount has been paid on 11.10.2021 due to intervening bank holidays.

- p. The summary of the amounts realized and distributed are as below:

S. No.	Particulars	Amount(INR)
1	Total Amount Realised	
1.a	Liquidation of CD (through E-Auction Rs.7,40,00,000 and scrap sales Rs. 35,174	7,40,35,714/-
1.b	Interest (FD interest and late payment interest)	
1.c	Opening Bank Balance	157,797/-
	Total Realisation	75,824,971/-
2	Amount Distributed	

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2.a	PF Dept/ EPFO	25,79,754/-
2.b	CIRP Cost	65,90,139/-
2.c	Liquidation Cost and Liquidator Fee (including Expenses provision of Rs. 10,10,000/-)	87,41,023/-
2.d	Stakeholder Distribution (workmen Rs. 109,507 and Secured Creditor Rs. 5,78,04,547)	57,914,055/-
	TOTAL DISTRIBUTION	75,824,971/-

- q. That the Corporate Debtor is sold as a going concern in Liquidation and the Liquidator has filed this Application for closure of the Liquidation Process of the Corporate Debtor under Regulation 45(3)(a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 which reads as under:

Regulation 45: Final report prior to dissolution.

- i. The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for—

- (a) Closure of the liquidation process of the Corporate Debtor where the Corporate Debtor is sold as a going concern; or
 (b) For the dissolution of the Corporate Debtor, in cases not covered under clause (a)”

- r. That the Liquidator has filed this application before Adjudicating Authority, pending filing of IA before this Adjudicating Authority by the successful bidder desirous to revive the operations of the Corporate Debtor immediately, but unable to do so since the company status in the RoC records as ‘under liquidation’, none of the RoC forms are being allowed to be filed for change of Directors, charge satisfaction forms, etc. which are essential for the



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successful bidder to get the required approvals from the concerned authorities to revive the operations of the company.

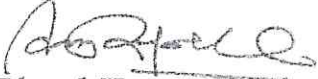
Reiterating above, counsel for the Applicant prayed to allow the Application as prayed for.


3. Heard. Perused the record.

4. The Applicant/Liquidator has moved the instant Application, seeking direction for the closure of the liquidation process of the Corporate Debtor herein as the Corporate Debtor is sold as a going concern in liquidation as per Regulation 45(3)(a) of the IBBI (Liquidation Process) Regulations, 2016.

5. It is observed that the Corporate Debtor herein has been sold as going concern and entire distribution as contemplated under the provisions of Section 53 of the IB Code, 2016 has been duly concluded. In these circumstances, it is just and reasonable to direct for closure of the Liquidation proceedings against the Corporate Debtor herein i.e., M/s TurboMachinery Engineering Industries Limited. Liquidator also stands relieved.

6. Further, Liquidator is directed to communicate a copy of this order to the Authority with which the Corporate Debtor is registered, within 7 days from the date of receipt of copy of this order.


Dr. Binod Kumar Sinha
Member Technical


Bhaskara Pantula Mohan
Member Judicial

Ajay/SKRathi


21/06/22
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
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केस संख्या
CASE NUMBER CP(IB) No. 398/2016
निर्णय का तारीख
DATE OF JUDGEMENT 17/6/2022
प्रति तैयार किया गया तारीख
COPY MADE READY ON 21/6/2022

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**