



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

IA (IBC)/(DIS)/4(CHE)/2024 in CP/1053/IB/2018

(Filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 45 of the IBBI (Liquidation Process), Regulations, 2016 and Rule 11 of the NCLT Rules, 2016)

In the matter of Krishna Industrial Corporation Limited

S.Rajendran,

Liquidator of Krishna Industrial Corporation Limited
2nd Floor, Hari Krupa, 71/1, Mc Nicholas Road,
Chetpet, Chennai – 600 031

... Applicant

Order Pronounced on 26th April 2024

CORAM

**SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

*For Applicant: G. Gautham Ram Vittal, Advocate
R.V. Yajura Devi, Advocate*

ORDER

(Hearing Conducted through VC)

This Application has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016 by the liquidator of the Corporate Debtor herein seeking for an order for Dissolution of the Corporate Debtor viz., **KRISHNA INDUSTRIAL CORPORATION LIMITED.**



2. It is stated that CIRP of the Corporate Debtor was initiated by this Tribunal vide order dated 16.12.2019 and the Applicant herein was appointed as Interim Resolution Professional (IRP) and thereafter as Resolution Professional (RP).

3. It is stated that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 27.07.2020 in MA/376/2020 and the Applicant herein was appointed as the Liquidator.

4. Pursuant to the order of Liquidation, the Applicant caused the Public Announcement on 31.07.2020 in Form –B of Schedule II by inviting claims from all the stakeholders and fixed the last date for submission of claim as 26.08.2020.

5. It is stated that the claims received were verified and the list of stakeholders as on 07.01.2020 was filed within 45 days from the last date for receipt of the claims as per Reg. 31(2) of the IBBI (Liquidation Process) Regulation 2016, along with the Preliminary Report.



6. It is stated that an Application was filed by the Workmen Union of the Corporate Debtor bearing MA/102/(CHE)/2021, the reasons as to why such claims were kept under verification were explained to this Tribunal and on 24.09.2021, this Tribunal directed the Applicant/Liquidator to consider the claims on or before 16.11.2021.

7. Subsequently, the Applicant/ Liquidator filed I.A/521(CHE)/2023 to modify the "List of Stakeholders" wherein, under specific entries in the List of Other Creditors, List of Operational Creditors - Statutory Dues and List of Financial Creditors" in the List of Stakeholders as on 25.01.2023. This Tribunal has taken the same on record and allowed the same on 08.05.2023.

8. It is stated that the last modified List of Stakeholders dated 02.06.2023 was allowed vide order dated 27.07.2023 in I.A(IBC)/1239(CHE)2023. As per the above said "List of Stakeholders" as on 02.06.2023 the Applicant/Liquidator made the distribution.

9. It is stated that a scheme was given under Section 230 of the Companies Act, 2013. However, it is not fructified and the Liquidator continued the Liquidation Process.



10. It is stated that the Liquidator appointed fresh set of Valuers in accordance with Regulation 35 of the IBBI(Liquidation Process) Regulation 2016, having due consideration with the SCC members during the 5th SCC meeting held on 19.12.2022. The Summary of the Valuation reports is reproduced as under:

				Amount in Rs.	
Land & Building					
Name of the Registered Valuer	SS Raju	S.Rao Seelam	Total	Avg	
Realisable Value (RV)	19,10,08,000	22,07,72,000	41,17,80,000	20,58,90,000	

Plant & Machinery					
Name of the Registered Valuer	Chiranjeevi	Radha Krishna	Total	Avg	
Realisable Value (RV)	15,61,500	16,27,500	31,89,000	15,94,500	

Securities and Financial Assets					
Name of the Registered Valuer	Venkateswaran	Vasudevan Gopu	Total	Avg	
Realisable Value (RV)	18,16,000	16,60,912	34,76,912	17,38,456	

11. It is stated that the Liquidator has totally conducted 3 Auctions. The 3rd Auction was successfully completed on 20.04.2023 and the Liquidator declared the Successful bidders for the category of the assets of the Corporate Debtor as per details given below:

- a) The successful bidder for Land & Building was Pattabhi Agro Foods Private Limited with the bid amount of Rs. 19.65 crores. The Sale



certificate was issued to them on 05.05.2023. The Land Registration in favour of Pattabhi Agro Foods Private Limited at the Sub-Registrar office, Kovvur was done on 17.05.2023 on the request of the successful bidder.

- b) The successful bidder for Plant & Machinery was Sravan & Co, Niddadovole for the bid amount of Rs. 1.04 Crores. The sale certificate was issued on 05.05.2023.

12. It is stated that Liquidator had opened a bank account bearing A/c.No.078411100004368 in the name of "KRISHNA INDUSTRIAL CORPORATION LIMITED IN LIQUIDATION" for the purpose of Liquidation in Union Bank of India, Chetpet Branch, Chennai, as per Reg.41 of IBBI (Liquidation Process) Regulations, 2016.

13. It is stated that the said Liquidation Account has NIL balance after payments made to various stakeholders, thus, the Applicant/ Liquidator applied for the closure of the aforesaid Bank Account and the said account was closed vide letter dated 27.11.2023.

14. The details of the closure of other Bank Accounts in the name of the Corporate Debtor is as follows:



Sl. No.	Bank Account Details	Amounts available and realised in Rs.	Proof of Closure
1	SBI- Shastri Bhawan, New Delhi A/c No.: 55113194750	82,855	Note 1
2	Union Bank of India – Anna Salai A/c No.: 084811011002903	3,99,628	Closure Certificate Dated 13 th Oct. 2023 is placed as Annexure
3	Union Bank of India – Anna Salai A/c No.: 084810011011869	2,415	Closure Certificate Dated 13 th Oct. 2023 is placed as Annexure
4	Union Bank of India – Jangareddygudem A/c No.: 025911011000939	34	Closure Certificate Dated 13 th Oct. 2023 is placed as Annexure
5	IndusInd Bank – Coimbatore A/c. No: 200002530776	15,606	Closure Certificate Dated 16 th Oct. 2023 is placed as Annexure
6	Union Bank of India – Anna salai A/c. No. 084811011002933	0	Closure Certificate Dated 16 th Oct. 2023 is placed as Annexure
7	State Bank of India, Nidadavole A/c No.: 10924907196	0	Note 2
8	Karur Vysya Bank, Nidadavole A/c No.: 142713500000177	0	Closure intimation letter Dated 19 th Oct. 2023 stating that the Account has been closed on 30 th Jul 2021, is placed as Annexure
9.	Indian Bank, Harbour, Chennai A/c No. : 432441660		Note 3

Note 1: It is submitted that the amount of Rs. 82,855 was lying in the said bank account. Upon instructions to the Bank, the said amount was realized and also distributed as per the provisions of the Code. The said bank was instructed to issue a Closure Certificate, however despite follow-ups, the Closure Certificate has not been issued by the Bank.

Note 2: It is submitted that the said bank account had NIL balance, however despite follow-ups, the Closure Certificate has not been issued by the Bank.



Note 3: It is submitted that an amount of Rs. 360 is lying in Indian Bank, Harbour. Chennai in A/c No.: 432441660. Although a request for closure form has been submitted, the said Bank has not issued the closure Certificate.

15. It is stated that Liquidator had opened a Demat account vide Client.ID: 10570754 in the name of "S. RAJENDRAN LIQUIDATOR OF KRISHNA INDUSTRIAL CORPORATION" with Indbank Merchant Banking Services Limited to dematerialize the equity shares held by the Corporate Debtor in the physical certificates, same was sold in the stock exchange and distributed as per the Sec. 53 of the Code. Further, the Applicant/ Liquidator applied for the closure of the aforesaid DEMAT Account and same was closed vide letter dated 13.10.2023.

16. The details of the relevant compliances as mandated under Section 54 of the IBC, 2016 read with the IBBI (Liquidation Process) Regulations, 2016 are listed hereunder:-

S. NO	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Regulation 12	Public Announcement in Form B in Business Standard and Dinamani dated 31.07.2020	61-63



2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	Page 8, Para 13 of the Application
3	Regulation 31(2)	List of Stakeholders within 45 days of the Liquidation Commencement Date	72
4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	72
5	Regulation 13	Preliminary Report dated 07.10.2020	64-71
6	Regulation 34	Preparation of Asset Memorandum within Seventy-Five days from LCD	237-238
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation in "Scheduled Bank"	218 - 224
8		Proof of Closure of the above Bank Account and other account in the name of the Company	218 - 224
9	Regulation 15	Quarterly Progress Reports and proof of filing the same before this Tribunal	239-384
10	Regulation 36	Asset Sale Reports after sale of Reports	169,171 & 195
11	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	200-217
12	Regulation 45 (3)	Final report dated 15.12.2023	26-40
13	Regulation 5 (1) (e)	Compilation of Minutes of SCC	415-498
14	Regulation 15	Audited Accounts of receipts and Payments	497-498
15	Regulation 37	Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period	233-235
16		Form-H –Compliance Certificate	41-50F



17. We have heard Ld. Counsel for the Applicant and perused the report and synopsis filed by the Liquidator.

18. It is stated that in the 9th SCC meeting dated 26.05.2023, 83.37% of the SCC members decided not to proceed further in the Avoidance/ Fraudulent transaction application filed u/s 66, IBC, 2016 vide IA/509(CHE)/2023. Hence Liquidator filed a withdrawal memo on 20.07.2023 vide SR No. 3115 and this Tribunal dismissed IA/509(CHE)/2023 as withdrawn and disposed-off vide Order dated 28.08.2023.

19. The liquidator has filed the synopsis showing the realization and the distribution which are reproduced as under:



Realization:

Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation amount (In Rs.)	Date of Transfer into Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1.	Plant and Machinery	E- Auction	Rs. 34,73,000	Rs.1,04,05,000	Rs.1,50,000/- Dt-17.04.2023 RS.1,02,55,000/- Dt-24.04.2023
2.	Land and Building	E - Auction	Rs.19,01,32,600	Rs.19,65,00,000	Rs.1,96,00,000/- - Dt-18.04.2023 Rs.17,69,00,000/- - Dt-03.05.2023
3.	3720 Equity shares of Rs.10/- each of Lakshmi Finance Corporation Limited	Demat shares sold in stock Exchange	Rs.2,15,760	5,03,651	Rs. 5,03,651/- Dt.03.10.2023
4.	52 Equity shares of Rs.10/- each of Andhra Cements Limited	Demat shares sold in stock Exchange	Rs. 205	0	Not Applicable
5.	100 Equity shares of Rs.10/- each of Bank of India	Demat shares sold in stock Exchange	0	0	Not Applicable
6.	Refund of Security Deposit with Electricity Department	Demat shares sold in stock Exchange	Rs.0	Rs.11,74,015	01.07.2023
7.	Bank account balance	Amount transferred from SBI- Shastri Bhawan, New Delhi	0	82,855	07.10.2023
8.	Bank account balance	Amount transferred from Union Bank of India – Anna Salai	0	3,99,628	13.10.2023
9.	Bank account balance	Amount transferred from Union Bank of India – Anna Salai	0	2,415	13.10.2023
10.	Bank account balance	Amount transferred from Union Bank of India - Jangareddygudem	0	34	17.10.2023



Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation amount (In Rs.)	Date of Transfer into Liquidation Account										
11.	Bank account balance	Amount transferred from Indusind Bank - Coimbatore	0	15,606	16.11.2023										
12.	Interest on FD		0	5,56,522	Various dates										
13.	Dividend Income received from Lakshmi Finance & Industrial Corporation Limited		0	26,970	28.04.2023										
14.	Sale of Coconut		0	45,710	<table border="1"><thead><tr><th>Date of Receipt</th><th>Amount (In Rs.)</th></tr></thead><tbody><tr><td>04.10.2020</td><td>8,540</td></tr><tr><td>02.12.2020</td><td>11,270</td></tr><tr><td>09.04.2021</td><td>15,400</td></tr><tr><td>17.04.2021</td><td>10,500</td></tr></tbody></table>	Date of Receipt	Amount (In Rs.)	04.10.2020	8,540	02.12.2020	11,270	09.04.2021	15,400	17.04.2021	10,500
Date of Receipt	Amount (In Rs.)														
04.10.2020	8,540														
02.12.2020	11,270														
09.04.2021	15,400														
17.04.2021	10,500														
15.	Others		0	15,502	21.11.2021										
	Total		Rs.19,38,21,565/-	Rs.20,97,27,908											



Distribution:

Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount claimed (in Rs.)	Amount Admitted (in Rs.)	Amount Distributed (in Rs.)	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest [U/s.Sec.52]	-	-	-	-	
2	i. Gratuity	1,53,16,196	1,58,27,059	1,60,80,982	104.99%	
	ii. Provident Fund	1,31,38,413	70,67,174	70,67,174	53.79%	
	<u>Liquidation Cost [U/s.Sec.53(1)(a)] :</u>					
3	i. Liquidation Interim Finance (including interest)	-	-	84,55,798	-	
	ii. Other Liquidation Cost	-	-	66,16,896	-	
	iii. Unpaid CIRP Costs	-	-	25,73,594	-	
4	Workmen's Dues [Sec. 53(1)(b)(i)]	1,36,42,374	81,77,157	37,98,160	27.84%	
5	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	35,60,03,162	35,55,25,914	16,51,35,304	46.39%	
6	Wages and Unpaid Dues to Employees [Sec.53(1)(c)]	77,88,517	38,22,431	0	0	



Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount claimed (in Rs.)	Amount Admitted (in Rs.)	Amount Distributed (in Rs.)	Amount Distributed to the Amount Claimed (%)	Remarks
7	Debts of Unsecured Financial Creditors [Sec.53(1)(d)]	0	0	0	0	
8.	Government Dues+Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]	Rs.32,96,996	Rs.4,38,451	0	0	
9	<u>Any remaining Debts and Dues [Sec.53(1)(f)] :</u>					
	i. Workmen dues (for the period more than 24 months)	26,41,423	15,06,975	0	0	
	ii. Employees due (for the period more than 12 months)	1,78,96,212	84,00,790	0	0	
	iii. Suppliers	43,41,584	19,16,911	0	0	
	iv. Other creditors	4,26,72,130	1,50,07,000	0	0	
	v. Other Stakeholders	3,50,74,467	0	0	0	
10	Preference Shareholders [Sec.53(1)(g)]	0	0	0	0	
11	Equity Shareholders [Sec.53(1)(h)]	0	0	0	0	
Total		Rs.51,18,11,474/-	Rs.41,76,89,862/-	20,97,27,908/-		



20. From the averments made in the Application and on 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. In the circumstances as averred and as prayed for by the Applicant, an order for dissolution is required to be passed by this Tribunal under Section 54 of the IBC, 2016. Accordingly, we order for the dissolution of the Corporate Debtor viz., *Krishna Industrial Corporation Limited*. The Liquidator is directed to forward the 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.

21. In terms of the above, this IA(IBC)(DIS)/4/CHE/2024 stands **allowed** and CP/1053/IB/2018 also stands **disposed of**. File be consigned to records.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)

SriramAnanth.V