SL. No.11

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI RAJEEV BHARDWAJ, HON'BLE MEMBER (J)
CORAM: SHRI SANJAY PURI, HON'BLE MEMBER (T)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH, HELD ON 03.12.2025 at 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	**IA (IBC)/1587/2025 in CP (IB) No.206/10/HDB/2019**
NAME OF THE COMPANY	**Shivaani Alloys Steel Casting Ltd**
NAME OF THE PETITIONER(S)	**State Bank of India**
NAME OF THE RESPONDENT(S)	**Shivaani Alloys Steel Casting Ltd**
UNDER SECTION	**10 of IBC**

ORDER

IA (IBC)/1587/2025

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

Sd/- **Sd/-**

MEMBER (T) **MEMBER (J)**

Apoorva

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

IA No.1587 of 2025 in
CP(IB) No. 206/10/HDB/2019

[Under Section 35(1)(n) & Section 60(5)(c) of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 45(3)(a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016]

In the matter of M/s. Shivani Alloy Steel Castings Limited:

Between:

Mr.Madasa Kumar, Liquidator,
M/s. Shivani Alloy Steel Castings Limited,
IBBI Regn. No. IBBI/IPA-001/IP-P01590/2019-2020/12465
4th Floor, Plot No. 48, Vaishnovi Enclave, Pet Basheerbad (V)
Quthbullapur (M), Medchal Malkajgiri (D),
Telangana -500 055.

…. Applicant/Liquidator

In the matter of:

M/s. Shivani Alloy Steel Castings Limited

…. Petitioner/Corporate Applicant

And

State Bank of India,

…. Respondent/Financial Creditor

Date of Order: 03.12.2025

Coram:

SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER JUDICIAL
SHRI. SANJAY PURI, HON'BLE MEMBER TECHNICAL

Counsels/Parties Present:

For the Petitioners : Mr. Madasa Kumar, Liquidator

I.A. No 1587 of 2025 in
CP (IB) No.206/10/HDB/2019

Date of Order: 03.12.2025

[PER: BENCH]

ORDER

1. The Company Petition CP No. CP(IB) No.206/10/HDB/2019 was filed by the Liquidator of M/s. Shivani Alloy Steel Castings Limited (Corporate Applicant) under Section 35(1)(n) & Section 60(5)(c) of the Insolvency & Bankruptcy Code, 2016 r/w Regulation 45(3)(a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 seeking closure of Liquidation Process, which was admitted by this Tribunal vide orders dated 24.04.2016, with the following reliefs:

   a) **Closure of Liquidation Process:** The Corporate Debtor i.e., M/s. Shivani Alloy Steel Castings Ltd as the Corporate Debtor is sold as a going concern along with total assets to M/s. Verity Knowledge Solutions Private Limited in Liquidation as per Regulation 45(3)(a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and the Liquidator be relieved from the Liquidation Process.

   b) **Infusion of Funds:** Pass an order or direction that the entire sale consideration paid by the Successful Bidder of the Company as a going concern along with total assets be permitted to be infused into the Corporate Debtor in the form of equity/capital/unsecured loans in the ratio decided by the Successful Bidder/Purchaser.

c) **Reconstitution of the Board:** Pass an order or direction that the board of directors of the Corporate Debtor should be reconstituted as per Companies Act, 2013 by inducting individuals recommended by the Successful Bidder/Purchaser as Directors of the Corporate Debtor and direct the Registrar of Companies to do all such acts deeds and things that are necessary to appoint the individuals recommended by the Successful Bidder/Purchaser, in order to enable the Company to file relevant returns required by applicable law.

d) **Change of Status of CD in RoC Records:** Pass an order or direction that the status of the Corporate Debtor in the RoC records as 'active' from the status of Liquidation.

e) **Extinguishment of past liabilities and consequential actions:** pass and order or direction that on and from the Date of Acquisition/Sale certificate date, all the claims or demands made by, or liabilities or obligations owned or payable to any actual or potential creditors, Financial Creditors, Operational Creditors, Workmen & Employees of the Corporate Debtor including the Government dues both Central, State and Local authorities (including but not limited to liabilities, interest and penalties, duties, etc. on account of income-tax, tax deduction at source, tax collection at sources, goods and services tax, custom duty, value added tax, service tax, wealth tax, Cess, DGFT dues, Property taxes, FEMA, RBI regulation/guidelines etc.) whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystalised or uncrystallized, known or unknown,

secured or unsecured, disputed or undisputed in relation to any period prior to the Date of Acquisition will be written off in in full and shall stand permanently extinguished.

f) **Immunity from past actions of the CD:** Pass an order or direction that all the cases pending/decreed against the Corporate Debtor by any Court and/or Tribunal and/or any quasi-judicial authority will not be enforceable against the Successful Bidder/Purchaser or the Corporate Debtor.

g) **Right over all the assets of the CD:** Pass an order or direction that the Successful Bidder/Purchaser gets all rights, title and interest in the Corporate Debtor without any security interest, encumbrance, claim counter claim, or any demur, into the purchaser.

Pass an order or direction that the Corporate Debtor shall have a right to review and terminate any contract that was entered into prior to the Liquidation order date.

Pass an order or direction that the Corporate Debtor is entitled to brought forward losses, if any subject to the permission of the appropriate Authority under the provisions of Income Tax Act, 1961.

2) It is submitted that the Liquidator filed IA No. 245/2021 praying this Tribunal to pass orders for Liquidation, which was allowed on 13.06.2024 and appointing Mr. Madasa Kumar as a Liquidator.

(Copy of the Liquidation order is annexed as Annexure -1 at page No. 15 -23 of the Application)

3) The Liquidator issued a public announcement inviting claims from the creditors and the claims received were collated and list of stakeholders prepared by stakeholders consulting committee and submitted to this Tribunal.

(Copy of list of Stakeholders is annexed as Annexure-2 at page No. 51-58 of the Application)

4) It is submitted that the Liquidator prepared Preliminary Report and Asset memorandum and Progress Reports and submitted the Progress Reports at the end of every quarter to this Authority in compliance with Regulations 13, 34 & 15 of the Liquidation Process Regulations.

(Copy of Asset Memorandum and Preliminary Report are annexed as Annexure -II of the Application)

5) It is submitted that the Liquidator appointed the Valuers to value the assets of the CD i.e., Plant & Machinery and Land Buildings situated at:

Unit 1- IDA, Phase -IV, Patancheru, Sangareddy Dist. Telangana State.
Unit 2 - Ankenpally Village, Sadasivapet Mandal, Sanga Reddy Dist. Telangana State.

Full details of the Assets are given in Page Nos.6 & 7 of the Application.

6) It is submitted that on 12.07.2024, the Liquidator issued sale notice for the sale of total assets of the Corporate Debtor fixing a reserve price of Rs.1418.56 Lakhs, which was finalized in favour of M/s.CVK Infrastructure Private Limited in the E Auction held on 09.08.2024 for Rs.1418.55 Lakhs. The EMD amount of Rs.1,41,00,000/- paid by the successful bidder was forfeited and distributed to the Stakeholders as the

successful bidder did not pay the sale consideration as defined in the terms of letter of intent.

7) On 22.11.2024, 2nd e-auction sale advertisement was issued by the Liquidator for the sale of the company along with the assets as a going concern with a reduction of 10% of reserve price as per the Schedule 1 with e-auction date as 20.12.2024. In response, two parties have submitted EoI, out of which only one paid EMD amount of Rs.128.00 Lakhs and participated in the E-auction. The sale has been finalised for Rs.1286.70 Lakhs in favour of the highest bidder, M/s Metsmith Innovation Private Limited, who has submitted EoI for the purchase of the company as a going concern along with total assets. Since, the successful bidder did not pay the sale consideration on or before 20th March, 2025 as per the LOI, the EMD amount of Rs.128 Lakhs was forfeited on 21.03.2025 and the amount distributed to the stakeholders as per Section 53(1) of the Code.

8) It is further submitted that on 23.03.2025 and 18.04.2025, the 3rd and 4th sale advertisements were released, but no bids were received. The Liquidator filed an IA for extension of liquidation period by 110 days, which was approved by this Authority on 03.07.2025.

9) On 26.05.2025, 5th sale advertisement was released fixing E Auction date as 24th June, 2025 with a reserve price of Rs.1149 Lakhs. One bid has been received from M/s. Verity Knowledge Solutions Private Limited

and finalised for an amount of Rs.1149 Lakhs for the sale of the Company as a going concern.

10) It is submitted that on 04.07.2025, the Letter of Intent (LoI) has been issued to M/s Verity Knowledge Solutions Private Limited, the successful bidder stipulating the conditions and terms of payment. The successful bidder has paid the sale consideration of Rs.11,49,00,000/- including EMD amount of Rs.1,15,00,000/- by 30.07.2025, which was distributed to the following stakeholders as per the provisions of Section 53(1) of the Code as under:

Total amount distributed including the amount forfeited	**Amount in Rs.**
State Bank of India- Financial Creditor	125943108
Employee's Provident Fund Organisation	2272170
ESI	911459
CIRP and Other Liquidation Expenses	12721356
Total	141848093

CIRP & Liquidation Costs:

a	CIRP Expenses	10046273
b	Liquidator fee	911669
c	Advertisement Charges-Geeta Advertisement	342888
d	Valuation charges	158100
e	Legal expenses	97992
f	E-auction Charges	13688
g	Security Charges	802400
h	Land Survey Expenses	62000
i	Fee to the auditor for audit of accounts for the years 2023-24 and 2024-25	50000
j	Amount retained for closure of Liquidation Account	200000
k	Expenses incurred by the Liquidator	36322
l	Misc Deductions	24
	Total	**12721356**

11) It is submitted that as the Corporate Debtor was sold as a going concern and the amount received from the sale was distributed to the stakeholders, the Liquidator filed this application for closure of the Liquidation process of the Corporate Debtor under Regulation 45(3)(a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 which is reproduced below:

"Regulation 45: Final report prior to dissolution

(3) The Liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority.

(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)".

12) It is submitted that under Regulation 32 of the IBBI Liquidation Process Regulations, 2016, the Liquidator sold the total assets of the company as a going concern. It is imperative that certain reliefs/concessions/ relaxations and permissions were are essential were allowed to run the business of the Corporate Debtor as a 'going concern'. Unless these reliefs/concessions/permissions are provided, the purpose of the revival of the Corporate Debtor as a 'going concern' will not be achieved from the view point of Successful Bidder. In fact, these permissions/ relaxation/ concessions/reliefs are crucial to kick start the business of the Corporate Debtor.

13) It is submitted that sale of the CD as a going concern is more or less in the nature of resolution of the Corporate Debtor and the Liquidation Process Regulations do not provide for granting certain specific type of reliefs to the purchasers of the CD and this Authority is empowered to grant the reliefs in order to achieve the object of sale as a going concern.

14) It is submitted that under Section 60(5)(c), this Authority has jurisdiction to entertain or dispose of any question of priorities or a question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the Corporate Debtor or corporate person under Section 60(5)(c) of the Code. This Authority is empowered to grant certain immunities or protection from past liabilities, civil and criminal actions from various creditors including various statutory and non-statutory authorities/parties, direction to RoC for change of the Board of Directors and reduction of the share capital and allotment of new share capital, other reliefs in the sale as a going concern in order to enable the successful bidder/purchaser to kick start the business of the Corporate Debtor at the time of closure of the Liquidation process of the CD and the Liquidator filed this application for closure of the Liquidation Process.

O R D E R

15) We heard the Counsel for the Liquidator and have gone through the entire records; we find it appropriate to grant only the following reliefs:

a) On perusal of the Final Report, it is evident that the Liquidator has sold the Corporate Debtor as a going concern, as such, it is a fit case for closure of Liquidation process.

b) As a sequel to the above, we hereby order closure of the Liquidation proceedings against the Corporate Debtor namely **M/s. SHIVANI ALLOY STEEL CASTINGS LIMITED** from the date of this Order, in terms of Regulation 45 (3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Consequently, the Liquidator stands relieved.

c) The entire sale consideration paid by the Successful Bidder of the Company as a going concern along with total assets be permitted to be infused into the Corporate Debtor in the form of equity/capital/unsecured loans in the ration decided by the Successful Bidder/Purchaser.

d) The board of directors of the Corporate Debtor should be reconstituted as per Companies Act, 2013 by inducting individuals recommended by the Successful Bidder/Purchaser as Directors of the Corporate Debtor and direct the Registrar of Companies to do all such acts deeds and things that are necessary to appoint the individuals recommended

by the Successful Bidder/Purchaser, in order to enable the Company to file relevant returns required by applicable law.

e) The existing shares of the Corporate Debtor (CD) shall be extinguished without any consideration, and all rights and liabilities associated with the shares shall be extinguished. Permission is granted for the reconstitution of the Board of Directors of the Corporate Debtor by the Successful Bidder. The Registrar of Companies (ROC), Hyderabad, is directed to update the status of the Corporate Debtor from 'under liquidation' to 'active' in their records.

f) Any proceedings pending against the CD (other than against the erstwhile promoters or former members of the management of the CD) as on the date of 'Certificate of Sale' with respect to its liabilities /inquiries/ investigations/ assessment/ claims/ disputes/ litigations etc. shall not have any bearing against the assets sold in the process. The said assets are free from any financial implications arising out of any pending proceedings before relevant authorities, if any.

g) The Applicant shall have the right to review or continue or terminate any contract that was entered into prior to the date of 'Certificate of Sale', without any liability and obligation on the part of the CD/Successful Bidder and the CD shall be deemed to have been discharged and extinguished in full.

h) Since it is sale as a going concern in Liquidation, the Applicant is not to be saddled with the liabilities existing prior to the date of 'Certificate of Sale', other than those identified or part of the group of assets and liabilities which according to its commercial consideration, have been sold as part of the going concern, w.r.t Regulation 32A(2) of IBBI (Liquidation) Regulations read with Regulation 39(c) (2) of IBBI(CIRP) Regulations.

i) With regard to any other concessions and reliefs sought by the Applicant under any other law, which are not specifically granted herein, the Applicant may approach the authority concerned who would consider such request under the applicable law keeping in view of Section 32A of IBC, 2016.

j) The Liquidator is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad and the concerned authorities and hand over all the books and files of the Corporate Debtor **M/s. SHIVANI ALLOY STEEL CASTINGS LIMITED to the Successful Bidder M/s. Metsmith Innovation Private Limited,** which are in possession of the Liquidator.

k) The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad and concerned authorities for updating the master data.

l) A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.

m) Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

In terms of the above, **I.A. No 1587 of 2025** in **CP (IB) No.206/10/HDB/2019** is allowed and stands disposed of accordingly.

Sd/-
(SANJAY PURI)
MEMBER (TECHNICAL)

Sd/-
(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

Vamsi