NATIONAL COMPANY LAW TRIBUNAL

AMARAVATI BENCH
(Video Conference)

PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 25.10.2021 AT 10.30 AM

TRANSFER PETITION NO.	IA(IBC)/99/2021 in CP(IB) NO. 42/7/AMR/2019
COMPANY PETITION/APPLICATION NO.	CP(IB) NO. 498/7/HDB/2018
NAME OF THE COMPANY	Liners India Ltd
NAME OF THE PETITIONER(S)	Urvasi Theatres Pvt Ltd
NAME OF THE RESPONDENT(S)	Liners India Ltd
UNDER SECTION	7 OF IBC

Counsel for Petitioner(s):

Ries

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Ries

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

IA(IBC) No.99/2021 in CP(IB) No.42/7/AMR/2019 is allowed. Order pronounced vide separate sheets.

(JUSTICE TELAPROLU RAJANI)
MEMBER JUDICIAL

RSN

NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH

IA (IBC) No.99/2021
IN
TCP(IB) No. 42/7/AMR/2019
IN
CP(IB) No.498/7/HDB/2018

Under Section 54 (1) of the Insolvency and Bankruptcy Code, 2016 R/w Regulation 45 (3) (b) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016

In the matter of
M/s. LINERS INDIA LTD.

BETWEEN:

Mr.Prabhakar Nandiraju,
Liquidator for M/s. Liners India Ltd,
R.S.No.205/2A, 7th Cross Road,
Jawahar Autonagar, Kanuru, Vijayawada-520007).

Office Address: Road No.1,
Ramakrishnapuram, L.B.Nagar,
Hyderabad -500035

... Applicant/Liquidator

Order dated on: 25.10.2021

***Coram*:**

Justice Telaprolu Rajani, Member Judicial.

Parties/Counsels present:

For the Applicant : Mr. Prabhakar Nandiraju, Liquidator

ORDER

1. This I.A.No.99/2021 is filed under Section 54 (1) of Insolvency and Bankruptcy Code, 2016 and Regulation 45(3)(b) of Insolvency

and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

Following the orders of the NCLT, Amaravati Bench dated 27.08.2019, the paper publication was made by the Liquidator on 31.08.2019 inviting claims from various stakeholders. In response to the said paper publication the claims as follows were received:

LIST OF CREDITORS SUBMITTED CLAIMS AS ON 18.09.2021

FORM D:

S. No	Name of the Claimant	Date of receipt of Claim	Claim Amount (INR)	Amount Admitted based on ledger balances of Liners (INR)
	SECURED CREDITORS			
1	Andhra Bank	12-09-2019	189777518	189777518
2	IDBI Bank Ltd	25-09-2019	85820490	85820490
	Total		**275598008**	**275598008**
	UNSECURED CREDITORS			
3	T G Saroja	16-09-2019	1095266	1086625
4	Grandhi Baby Kamala	13-09-2019	547633	543313
5	Urvasi Theatres Private Limited	13-09-2019	7137700	6994500
6	Radhika Sarma K.S.	31-08-2019	1091667	1090750
7	Sujatha Venkatesan	11-09-2019	1082503	1082503
8	Elizabeth Renuka Martin	10-09-2019	6000000	5453750
9	Malathi Raghavan	31-08-2019	1091667	1090750
10	Jaishree Krishnan Maniketh	31-08-2019	545833	545375
11	Jaimala Arvind Rao	31-08-2019	655000	654450
12	Sreelakshmi Jitender	31-08-2019	327500	327225
13	Kusalava International Limited	12-09-2019	10333333	10333333
	Total		**29908102**	**29202574**
	FINANCIAL CREDITORS- RELATED PARTIES			

14	Chidambaram V S	31-08-2019	545833	545375
15	Amita Ganesh	31-08-2019	23470833	23470833
16	S. Ganesh	31-08-2019	19650000	18324600
17	Aarti Industries	31-08-2019	13318333	13318333
18	S.S.Mani	31-08-2019	1310000	1308900
19	Vivek Sahasranaman	31-08-2019	2183333	2181500
20	Balaji S	31-08-2019	1855833	1854275
21	Rajeswari Balaji	31-08-2019	4366667	4363000
22	Sharadha Guru	31-08-2019	1091667	1090750
23	Guru S	31-08-2019	9524792	9499792
24	Shruti Balaji	31-08-2019	1310000	1308900
25	Archana Balaji	31-08-2019	1310000	1308900
26	Jai and Sons Pvt Ltd	31-08-2019	16263243	16249587
27	Uma Krishnamurthy	31-08-2019	8187500	8180625
	Total		**104388034**	**103005370**
	Secured Financial Creditors		**275598008**	**275598008**
	Unsecured Financial creditors		**134296136**	**132207944**
	(29908102+104388034)(29202574+ 103005370)			
	Grand Total		**409894144**	**407805952**

Details of securities held with M/s Andhra Bank (in pari passu charge with M/s IDBI Bank Ltd)

S.No.	DESCRIPTION OF PROPERTY
1.	Equitable mortgage of Company land admeasuring Ac. 1.48 cents situated in R S No. 205/2A, Kanuru, Near 7th cross road, Jawahar Autonagar, Vijayawada and super structures thereon
2.	Equitable mortgage of Company land admeasuring 14637.05 sq.yds bearing Plot Nos. 55 to 66 situated at Industrial Park, Tirumalagiri (v), Jaggayyapet, Krishna and super structures thereon
3.	Equitable Mortgage of Company land admeasuring 2.427 hectares (24270 sq. Meters / Ac 6.00) bearing Khasra No. 201/5 and 210/1 located in village Vikrampur, Tahsil Bazpur, District Udam Singh Nagar in Uttarakhand State and super structures thereon
4.	Value of other fixed assets of the company like plant and machinery, furniture and fixtures, equipment, vehicles as on 27.08.2019

Details of Un encumbered security details:

S. No.	DESCRIPTION OF PROPERTY
1.	Office space bearing no.6 on the fifth floor of the multi-storeyed building "Varun Towers" at Municipal Door No. 1-10-177 and 177/A, Begum pet, Hyderabad -16 admeasuring 588 Sq.ft. equivalent to 54.63 Sq.mtrs.

LIST OF OPERATIONAL CREDITORS AS ON 18.09.2021
FORM – C

S.No	Name of the Claimant	Date of Claim	Amount of Claim submitted (INR)	Amount of Claim admitted (INR)
1	B and B Specialities	20-09-2019	40996	40996
2	Ivory Auto & Engineering	25-09-2019	601229	601229
3	Agni Insulations Pvt Ltd	23-09-2019	660033	660033
4	New Chieftain Agencies	23-09-2019	279144	279144
5	Sri Venkatasai Engineering Works	22-09-2019	49839	44840
6	Manideep Agencies	24-09-2019	107683	107683
7	Gayathri engineering Works	25-09-2019	2676948	2377736
8	JVMETALS & ALLOYS (2)	31-08-2019	7878137	7878137
9	EC & Associates Charted Accountants	26-09-2019	801766	801766
10	Sony Auto Engineers	22-09-2019	669314	669314
11	Sumati Sales Corporation	21-09-2019	1145249	970550
12	Elkem South Asia pvt Ltd	21-09-2019	2914608	2914608
13	Nutech packages	23-09-2019	195503	195503

14	Thermal papers pvt ltd	21-09-2019	240419	240419
15	Prashanth Enterprises	20-09-2019	1165869	1153180
16	Jay Bhavani Maa Eng & Foundry	17-09-2019	2732889	2732889
17	Ficus pax Private Limited	13-09-2019	312795	312795
18	Pragathi Machines	25-09-2019	217535	205295
19	Spandana printing works	26-09-2019	244447	244447
20	Aarti Industries (Related party)	31-08-2019	4771108	4370481
21	Mahalakshmi Electrical works	27-09-2019	66559	66559
22	Associated Road Carriers	26-09-2019	325822	325822
23	Schutz carbon Electrodes pvt ltd	19-09-2019	424732	424732
24	Lubesol India Pvt Ltd	26-09-2019	1740566	1693551
25	New friend Auto India	17-09-2019	3469874	3469874
26	Lakshmi turning works	17-09-2019	163640	73659
27	Castrol	26-09-2019	910316	910316
28	DYNAMIC MELT INDUSTRIES (1)	07-09-2019	9227394	8803302
29	Rolex Liners	07-09-2019	5427940	5427940
30	Vijayawada Alloy Castings	02.01.2019	813299	813299
31	Strategic Engineers	27-09-2019	49835	49835
32	Asia Metals	25-09-2019	6564378	5904416
33	SPECIALITY PACKAGING (3)	23-09-2019	6435140	6435140
34	Sailaja safe	27-09-2019	4401972	4401972
35	Snam Alloys Pvt ltd	04.09.2021	2070804	1700380
	TOTAL		**69797782**	**67301842**

CLAMS BY WORKERS AND EMPLOYEES: FORM E

S.No	Name of the Claimant	Date of Claim	Amount of Claim submitted (INR)	Amount of Claim admitted (INR)
1	General Secretary , Liners India Ltd Workers Union	26-09-2019	59432482	40174640
2	Sri V Ravi Kumar for Employees	24-09-2019	3784038	3784038
	Total		**63216520**	**43958678**

CLAIMS BY GOVERNMENT

S.No	Name of the Claimant	Date of Claim	Amount of Claim submitted (INR)	Amount of Claim admitted (INR)
1	ESIC	11-09-2019	994905	994905
2	COMMERCIAL TAX OFFICE	21-09-2019	293558909	109278591
3	APCPDCL,vijaya wada	23.06.2021	5865787	5865787
	Total		**300419601**	**116139283**

TOTAL CLAIMS

Sl.No	Creditors	Amount of Claim submitted (INR)	Amount of Claim admitted (INR.)
1	Secured Financial Creditors	275598008	275598008
2	Unsecured Financial Creditors	29908102	29202574
3	Unsecured Financial Creditors - Related Parties	104388034	103005370
4	Operational Creditors	69797782	67301842
5	Claims in Form E- workers	59432482	40174640
6	Claims in Form E - employees	3784038	3784038
7	Government claims	300419601	116139283
	TOTAL CLAIMS	**843328047**	**635290345**

2. The 1st Stakeholders meeting was conducted on 06.11.2019 and all the stakeholders present consented for conducting sale as per Regulation 32 (e) i.e., "Corporate Debtor as going concern" with a Reserve Price of Rs.35.03 Crores and in case requirement of second publication with a Reserve Price of Rs.31.53 Crores. 1st Paper publication was made on 07.11.2019 and e-auction was conducted on 23.11.2019 and 2nd Paper publication was made on 23.11.2019 and e-auction was conducted on 23.12.2019 but no bids were received for both the publications.

3. The 2nd Stakeholders meeting was conducted on 23.12.2019 and all the stakeholders present unanimously consented to go for sale of the assets of the Corporate Debtor as per Regulation 32(a) and 32(d). Accordingly, the 3rd Publication was made on 25.12.2019 and e auction process was conducted on 09.01.2020. In the auction only one successful bid was received and sale was completed as per the following details:

ASSET	RESERVE PRICE	NAME OF THE BIDDER
Company office space bearing Flat No.6 on the fifth floor of the multi - storeyed building "Varun Towers" at Municipal Door No.1-10-177 and 177/A, Begumpet, Hyderabad -500016	30 Lakhs Bid submitted for 41.50 Lakhs	Mr.Busetty Naga Phaneedra Registration Completed

admeasuring 588 Sq.Ft.equilant to 54.63 Sq.Mtrs.		

4. The 4th publication was made on 11.01.2020 and e-auction was conducted on 23.01.2020 for the remaining unsold properties and in the e-auction one successful bid was received and the sale was completed as follows:

ASSET	RESERVE PRICE	NAME OF THE BIDDER
Company land admeasuring 5428 Sq.yards bearing Nos.61 to 66 situated at Industrial Park Tirumalagiri, Jaggayyapet, Krishna District, Andhra Pradesh	120 Lakhs Bid submitted for 122 Lakhs	Mr.Rangapuram Raghavendra Mr.Rangapuram Venkata Manikanta & Mr.Rangapuram Abishek of M/s. Qualichem Registration Completed

5. 3rd Stakeholders consultative committee meeting was conducted on 18.02.2020 and 5th publication was made on 18.02.2020 and e-auction was conducted on 29.02.2020. But the liquidator did not get any successful bids for the remaining unsold properties and however a joint bid from 3 bidders was received for the sale of machinery including trade mark as per Regulation 33(2) (c) of Insolvency and Bankruptcy Board of India (Liquidation) Process Regulations, 2016. The following assets were sold at a higher price than the Reserve Price in the auction held on 29.02.2020.

ASSET	RESERVE PRICE OF FAILED AUCTION	NAME OF THE BIDDER
Company plant and machinery, Furniture, Fixtures, Vehicles & Trademark	460 Lakhs Quotation submitted for 461 Lakhs	M/s. Kushalava International Ltd & M/s.Sambasiva Industries & M/s.Sri Sai Steels

6. 6th Publication was made on 11.03.2020 and E-auction was conducted on 21.03.2020 for the remaining unsold properties, but no bids were received matching to the auction stipulations. The Liquidator could not conduct stakeholders meeting immediately after the auction on 21.03.2020 due to Covid lockdown. 4th Stakeholders meeting was conducted on 28.10.2020 and the 7th publication was made on 31.10.2020 and E-auction was conducted on 20.11.2020, but no bids were received. 5th Stakeholders meeting was conducted on 23.11.2020 and the 8th publication was made on 30.11.2020 and E-auction was conducted on 19.12.2020, but no bids were received.

7. 6th Stakeholders meeting was conducted on 19.12.2020 and 9th publication was made on 20.12.2020 and E-auction was conducted on 05.01.2021 for the remaining unsold properties. Bids were received for all the remaining unsold properties and those properties were sold as per the following details:

Sl No.	DESCRIPTION OF THE ASSET	RESERVE PRICE(Rs.)	BID Amount(Rs.)
1	Company land admeasuring Ac 1.48 cents situated in RS No.205/2A, Kanuru Near 7th Cross Road, Jawahar Auto Nagar, Vijayawada and super structures there on. Bounded by :: west - Road (proposed for expansion) East - Road South-plot belongs to S.S.Mani North-plot belongs to DVRKTC	Rs.16,00,00,000	Rs.160,00,000/- M/s.Akshra Enterprises India Pvt Ltd is the single successful bidder for Rs.16,05,00,000/- later requested for completing the registration in two parts i.e. one part in their name and second part in their associate company name M/s.Emesco Books pvt ltd Registration completed on 8.09.2021
2	Company land admeasuring 9209 Sq.Yards bearing Nos.55 to 60 situated at industrial park Tirumalagiri (v) Jaggayyapet, Krishna Dt. with 24000 sft (	Rs.2,53,00,000/-	Rs.25,30,000/- EOI interested received post Auction Date as per Regulation 33(2) (c from M/s.Akshara Enterprises India Pvt Ltd for Rs.2,54,00,000/- Total Amount was paid by them

	approximately) super structures.		and Registration was completed on 10.08.2021
3	Company land adm.2.427 hectares/6.00 Acrres bearig khasra No.210/5, and 210/1 located in village Vikrampur, Thasil Bazpur, District Udam Sigh Nagar in Uttarakhand state	Rs.1,04,00,000/-	Rs.10,40,000/- M/s.YDR Estates Pvt Ltd is the successful bidder Amounts received and Registration completed on 23.03.2021

8. M/s.Akshara Enterprises India Private Limited has expressed its interest for unsold Jaggayapet property post auction dated 05.01.2021 as per Regulation 33 (2) (c). They submitted their bid for 264 Lakhs against reserve price of Rs.253 Lakhs and paid total bid amount along with interest for the delayed period and the registration was completed on 10.08.2021.

9. M/s. Akshara Enterprises India Pvt Ltd., was one of the successful bidders of Vijayawada property situated at Kanuru. Registration was requested to be completed in two parts i.e. one in the name of M/s. Ashara Enterprises India Pvt Ltd and the other in the name of its associate company M/s. Emesco Books Pvt Ltd., They

assumed to complete the registration before 25.09.2021. As such the total amounts were paid along with interest for the delayed period and the registration was completed on 08.09.2021. The liquidation cost exceeded the estimated liquidation cost provided in the preliminary report due to increase in publication expenditure and GST payments on machinery sale.

10. The total realization after meeting the liquidation costs was distributed as per Section 53 (a) (b) (i) (ii) of IBC to secured creditors consisting of Union Bank of India, IDBI Bank and 24 months dues of workers preceding the liquidation commencement date, proportionately, the details of which were enclosed with the final report. The Liquidator submitted the final report as per Regulation 45 (1) & 45 (2) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. According to final report:

i) there are no relinquished assets to be disposed of by the Liquidator left as on the date and all have been sold and proceeds distributed to stakeholders.

ii) There are no unclaimed proceeds of distribution or undistributed assets.

iii) The affairs of the Corporate Debtor do not require any further investigation and has been completely wound up.

iv) The Bank Account of Corporate Debtor has been closed.

11. On the above submissions, the Liquidator sought for order of the dissolution by this Tribunal. In the background of the above stated facts I.A.No.99/2021 in TCP (IB) No.42/7/AMR/2019 is allowed and the Applicant is permitted to dissolve the Corporate Debtor i.e., M/s.Liners India Ltd. Accordingly, I.A.No.99/2021 is disposed of. Copy of this order shall be forwarded to the authorities with whom the Corporate Debtor is registered, i.e., RoC (Andhra Pradesh), OL, RD (SER) & IBBI (New Delhi), within 7 days from the date of receipt of the copy of this Order. Hence this order.

JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Swamy Naidu