



**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1**

**IA No. 266 of 2020
in
CP (IB) No. 13/10/HDB/2017**

Application u/s 54(1) of IBC, 2016 r/w Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation) Process) Regulations, 2016

In The Matter of

M/s VNR Infra Metals Private Limited

...Corporate Applicant (Corporate Debtor)

ARUN KUMAR MALANI
Insolvency Resolution Professional
Reg.No. IBBI/IPA-001/IP-P00275/2017-18/10519
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...Liquidator

Date of order: 02.04.2024

Coram:

Dr. N.Venkata Ramakrishna Badarinath, Hon'ble Member (Judicial)
Shri Charan Singh, Hon'ble Member (Technical)

Appearance:

For Applicant: Mr. Arun Kumar Malani (Party in Person)



**PER: BENCH
ORDER**

1. This application is filed under Section 54(1) of the Insolvency & Bankruptcy Code, 2016 (herein after referred to as “CODE”) r/w Regulation 45(3) of Insolvency & Bankruptcy Board of India (Liquidation Process) by the Liquidator appointed for M/s VNR Infra Metals Private Limited, seeking dissolution of the Corporate Debtor/M/s VNR Infra Metals Private Limited.
2. The averments in brief of the Application are that;
 - 2.1 This Tribunal vide order dated 03.03.2017 admitted the Company Petition CP (IB) No. 13/10/HDB/2017 filed under Section 10 of the Code ordered initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor/M/s VNR Infra Metals Private Limited and appointed Shri Arun Kumar Malani as Interim Resolution Professional (IRP).
 - 2.2 It is averred that the Resolution Plan (joint Resolution Plan with Main Group Company M/s VNR Infrastructures Ltd) submitted by the Investor on 24.07.2017 was not approved by the CoC of M/s VNR Infrastructures Ltd.
 - 2.3 In the 7th COC Meeting held on 19.08.2017, the Bank had informed the decision of their Central office on this matter that since no fresh revised Resolution Plan with improved offer was submitted by the Investor, the Bank had decided to go ahead with the recommendation for liquidation. Pursuant thereto Company



Application CA. No. 166 of 2017 was filed by the Resolution Professional recommending Liquidation of the Corporate Debtor vide this Tribunal order dated 22.09.2017.

- 2.4 The Liquidator carried out Public Announcement in compliance of IBC 2016 and Regulation 12 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, in Form B of Schedule II on 30.09.2017. Pursuant to public announcement claim was received from only one secured creditor i.e. M/s Indian Overseas Bank electronically on 13 October and hard copy was received personally on 17.10.2017.
- 2.5 Consultation with the stakeholder M/s Indian Overseas Bank, ARM Branch was held on 17.10.2017. The List of Correspondence from various stakeholders are mentioned in Para 9 of the Application (Progress Report of Quarter 30.09.2019).
- 2.6 The Corporate Debtor is a Corporate Guarantor and also mortgaged all its properties Owned for the Credit Limits of parent Company M/S VNR Infrastructures Limited to Consortium Secured Creditors of parent Company (SBI, PNB, BOB, BOI and IOB). By invoking the Corporate Guarantee the Consortium Banks (SBI, PNB, BOB, BOI and IOB) have become Secured Creditors of the Corporate Debtor M/s VNR Infra Metals Private Limited (present company under liquidation). The Consortium Banks being Secured Creditors instead of relinquishing its security and providing its debts, opted to realize its security



through the measures already initiated under the SARFAESI Act,
**also to invoke Corporate Guarantee of M/s VNR
Infrastructures Limited.**

2.7 The Liquidator at para 14 (page 7) of the Application has detailed the reasons or non-completion of the liquidation process within 2 years. This Tribunal had extended the liquidation period by 6 months vide order dated 10.02.2020.

2.8 The following documents are annexed along with application:-

- (i) Preliminary Report is as per 3rd COC meeting filed with NCLT on 21.06.2017 (Annexure 7).
- (ii) Compliance Certificate in Form-H (Annexure-3).
- (iii) progress report dated 24.10.2017
- (iv) Progress report for the quarter 30.09.2019.
- (v) The Progress Final Report before Dissolution (Annexure 2).

3. The record reveals that as per directions of this Tribunal, the Liquidator served notice on ROC (Hyderabad). However, since no report is filed, it is deemed that there is no objection from their side.

4. In the light of above facts and circumstances of the case, the only point that emerges for consideration of the Tribunal is

**WHETHER THE CORPORATE DEBTOR CAN BE
DISSOLVED?**



5. We heard the Ld. Liquidator Mr. Arun Kumar Malani and perused the record.
6. At the outset it may be stated that Section 54 of the IBC lays down the criteria for dissolution of the Corporate Debtor.

54-Dissolution of corporate debtor.

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.

7. Regulation 45 of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 reads as under:-

Regulation 45: Final report prior to dissolution.

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.



(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) 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).]

8. A perusal of the final report at page Nos. 16-21 filed by the Liquidator categorically discloses that the fair value and liquidation value is “NIL” as there are no assets requiring valuation. The Corporate Debtor is a trading concern and there is no manufacturing unit. The Corporate Debtor is a Corporate Guarantor and also mortgaged all its properties Owned for the Credit Limits of parent Company M/S VNR Infrastructures Limited to Consortium Secured Creditors of parent Company (SBI, PNB, BOB, BOI and IOB). By invoking the Corporate Guarantee, the Consortium Banks (SBI, PNB, BOB, BOI and IOB) have become Secured Creditors of the Corporate Debtor M/s VNR Infra Metals Private Limited (present company under liquidation). The Consortium Banks being Secured Creditors, opted to realize its security through the measures already initiated under the SARFAESI Act, including invocation of Corporate Guarantee of M/s VNR Infrastructures Limited (parent Company).



9. We are satisfied that the criteria laid down under law has been fully complied with. As such, the Corporate Debtor is liable to be dissolved. Hence, we hereby order dissolution of the Corporate Debtor as under: -

9.1 The Corporate Debtor/ **M/s VNR Infra Metals Private Limited** stands dissolved from the date of this Order, in terms of Section 54(1) of IBC, 2016, and the Liquidator stands relieved.

9.2 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.

9.3 Upon dissolution of the Corporate Debtor, the records of the Company which are in possession of the Liquidator, be handed over by the Liquidator to the IBBI.

9.4 The Registry is also directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.



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

9.6. In terms of the above, IA No. 266 of 2020 filed by the Liquidator appointed for M/s VNR Infra Metals Private Limited (Corporate Debtor) for dissolution of the Company under Section 54 (1) of IBC, 2016 stands disposed of accordingly. Since the Corporate Debtor stood dissolved vide this order and no proceedings are now pending, therefore, the Registry is directed to consign the file to records.

SD/-

(Charan Singh)
Member (Technical)

SD/-

(Dr. N.Venkata Ramakrishna Badarinath)
Member (Judicial)

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