

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

SINGLE BENCH (URGENT HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI RATAKONDA MURALI- MEMBER JUDICIAL
ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 13.08.2020 AT 10.30 AM

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TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No. 562/2020 in CP (IB) No. 91/9/HDB/2018
NAME OF THE COMPANY	Global India Pvt Ltd
NAME OF THE PETITIONER(S)	V K Smaat
NAME OF THE RESPONDENT(S)	Global India Pvt Ltd
UNDER SECTION	9 of IBC

Counsel for Petitioner(s):

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

Counsel for Respondent(s):

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

ORDER

Counsel for the Liquidator is connected through audio. IA No.562 of 2020 is listed today for orders. Order is passed vide separate order.


**MEMBER
(JUDICIAL)**

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**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

IA No.562/2020

IN

CP IB No.91/9/HDB/2018

Application filed by the Liquidator under Regulation 45 (3) (a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

**IN THE MATTER OF M/s V.K. GLOBAL VS SMAAT INDIA
PRIVATE LIMITED**

Between:

Mr. N. Prabhakar
Liquidator for M/s Smaat India Private Limited
Plot No. 32.B, Sree Ramakrishnapuram
Hyderabad – 500035

....Applicant/
Liquidator

Date of order: 13.08.2020

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Appearance:

For Applicant: Ms. J.V.L. Bharati, Advocate

Heard on: 06.08.2020

**PER: SHRI RATAKONDA MURALI
MEMBER (JUDICIAL)**

ORDER

1. This Application is filed under Regulation 45 (3) (a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 by the Applicant / Liquidator seeking closure of Liquidation process of **M/s SMAAT INDIA PRIVATE LIMITED/ Corporate Debtor.**



2. AVERMENTS IN THE APPLICATION:-

The averments apropos to the Application in brief are:-

2.1 This Tribunal vide order dated 9TH July, 2018 admitted the Company Petition bearing CP (IB) NO.91/9/HDB/2018 filed by Operational Creditor/Petitioner and Corporate Insolvency Resolution Process commenced against the Corporate Debtor M/s. SMAAT India Private Limited by appointing Shri Ravichandra Mohan Kadiyala as Interim Resolution Professional who was later replaced by Shri Prabhakar Nandiraju, Applicant herein as Resolution Professional in a resolution passed in the 1st Committee of Creditor's (CoC) meeting held on 31.08.2018. When no resolution plan came forth, the Committee of Creditors in its 9th CoC held on 26.04.2019 resolved to liquidate the Corporate Debtor. Following which, this Tribunal on 6th June, 2019 passed an order in IA No.349/2019 preferred by the Applicant for liquidating the Corporate Debtor Company by appointing the Applicant herein as Liquidator of the Corporate Debtor M/s Smaat India Private Limited.

2.2 The Applicant submits that on assuming charge of Liquidator, he issued public announcement in Financial Express and Andhra Prabha News Papers on 08.06.2019 inviting claims from the stakeholders as on the Liquidation commencement date on or before 06.07.2019.

2.3 The Applicant submits that he received claims from the stakeholders as under:-

SECURED FINANCIAL CREDITORS

Sl.No.	Name of Creditor	Amount of claim submitted	Amount of claim admitted	% of voting share
1	Andhra Bank	55,67,84,790/-	55,67,84,790/-	87.13
2	NABARD	4,67,69,840/-	4,67,69,840/-	7.32
	Total	60,35,54,630/-	60,35,54,630/-	

UNSECURED FINANCIAL CREDITORS

Sl.No.	Name of Creditor	Amount of claim submitted	Amount of claim admitted	% of voting share
1	Jain Sons Fin Lease Limited	1,78,94,267/-	1,78,94,267/-	2.80
	Total	1,78,94,267/-	1,78,94,267/-	

GOVERNMENT CLAIMS

Sl.No.	Name of Creditor	Amount of claim submitted	Amount of claim admitted	% of voting share
1	Commercial Taxes Department	1,75,65,692/-	1,75,65,692/-	2.75
	Total	1,75,65,692/-	1,75,65,692/-	

- 2.4 In the meantime, Mr. M. Karunakara Reddy, Promoter of Corporate Debtor preferred an Application and sought directions for entertaining the compromise proposal submitted by him under provisions of Section 230 of the Companies Act, 2013. However, the proposal did not materialize due to want of approval from one of the stakeholders' M/s Andhra Bank/secured Financial Creditor for want of 3 month's requisite time for processing. Eventually, the promoter withdrew his proposal owing to financial constraints. In the 2nd Stakeholder's meeting dated 01.10.2019, it was decided to continue with the liquidation process and liquidator prepared "asset memorandum" and issued sale notice dated 18.10.2019 for the sale of Corporate Debtor as a whole and as a going concern by fixing the date of e-auction as 06.11.2019.
- 2.5 It is the case of Liquidator / Applicant herein that Corporate Debtor being a registered MSME Company, the promoter is eligible to participate in e-auction as per provisions of Section 240A. The promoter of the Corporate Debtor participated in the bidding process and furnished Earnest Money Deposit, who was declared as the successful bidder by the Liquidator vide Letter of Intent dated 06.11.2019.
- 2.6 The Applicant submits, the bidder/Corporate Debtor preferred IA No.155/2020 seeking certain reliefs which were granted by this Tribunal vide order dated 25.02.2020. Pursuant to the said order of this Tribunal, the Promoter of the Corporate Debtor obtained the title and ownership of the Company. The

bid amount of Rs. 4,39,00,000/- said to have been distributed by the Liquidator to the following stakeholders as per their share:-

Sl.No.	Name of the Financial Creditor	Amount of claim	% voting share
01	Andhra Bank	4,38,50,410/-	92.25%
02	NABARD	36,83,910/-	7.75%
	Total	4,75,34,320/-	

- 2.7 The Liquidator has filed compliance report/Form H as annexure-4. It is submitted there are no other assets left and liquidation process is complete. There are no undistributed assets or amount left in the Bank account, as such Bank Account No. 344711100001413 maintained with Andhra Bank is closed.
- 2.8 The Liquidator / Applicant herein further submits that there are no unclaimed proceeds of distribution or undistributed assets and that the affairs of the Corporate Debtor does not require any further investigation.
3. We heard the Liquidator and perused the application filed by the Liquidator. He has filed necessary documents along with the application. The Final report in Form-H is filed as Annexure-4. This IA is filed under Regulation 45 (3) (a) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 praying the Adjudicating Authority to order for closure of the liquidation process of the Corporate Debtor Company as liquidation process is complete. The said provision reads as under:-

"Regulation 45 (3) (a): 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 for –

(a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or

4. The Liquidator would contend, pursuant to public announcement for e-auction Mr. M. Karunakara Reddy, promoter of Corporate Debtor participated in the e-auction held on 06.09.2019 and was declared as successful bidder. On-going through the facts aforementioned and the material placed along with the Application, it is evident that the assets of Corporate Debtor were sold to Mr. M. Karunaka Reddy for Rs.4,39,00,000/- as against the average valuation of the Liquidation Estate of the Corporate Debtor as per valuers' report which is @ Rs. 2,72,23,000/- only. It is seen from Form-H that the amount of Rs. 439 lakhs realized from the sale of Liquidation Estate was distributed among the stakeholders as per Section 52 or 53 of the Code. The details of distribution is at page 35 of the Final Report. The successful bidder previously preferred an Application bearing IA No. 155 of 2020 seeking certain reliefs. This Tribunal vide order dated 25.02.2020 disposed of the Application with certain directions and (or) granting reliefs by citing Regulation 32 of Liquidation Process Regulations which contemplates sale of assets of Corporate Debtor as a going concern, facilitating the successful bidder to purchase the Corporate Debtor/ M/s SMAAT INDIA PRIVATE LIMITED as a going concern. Further by going through 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.
5. As a sequel to the above, we hereby order closure of the Liquidation proceedings against the Corporate Debtor viz. **M/s SMAAT IN`DIA PRIVATE 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.
6. 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 hand over all the books and files

of the Corporate Debtor **M/s SMAAT INDIA PRIVATE LIMITED** which are in possession of the Liquidator to the successful bidder.

7. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
8. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
9. In terms of the above, **IA No. 562 of 2020** filed by the Liquidator appointed for **M/s SMAAT INDIA PRIVATE LIMITED (Corporate Debtor)** for closure of Liquidation Process of the Company under Regulation 45 (3)(a) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 stands disposed of accordingly.


(RATAKONDA MURALI)
MEMBER (JUDICIAL)

13.8.2020

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