

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – I

IA (IBC) 1637/2023 in

CP (IB) No. 11/10/HDB/2017

*Under Section 60(5) (c) read with 31A (11) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Rules 11, 13, 32 of the National Company Law Tribunal Rules, 2016*

**In the matter of M/s. Kamineni Steel & Power India Private Limited**

**In the matter of:**

Indian Bank

Having its Branch at

Surabhi Arcade, 5-1-679, Bank St,

Koti, Hyderabad, Telangana – 500001,

Representing by its Assistant General Manager

Mr. Dandapani.

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OF THE ORIGINAL

... Applicant/Lead Secured Financial Creditor

AND

Mr. Racharla Ramakrishna Gupta,

Ld. Liquidator-M/s. Kamineni Steel & Power India Private Limited,

Flat No.T202, Technopolis, 1-10-74/B,

Above Ratnadeep Super Market,

Chikoti Gardens, Begumpet, Hyderabad – 500016.

...Respondent

**DATE OF ORDER: 08.11.2023**

**Coram:-**

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member

(Judicial)

Shri. Charan Singh, Hon'ble Member (Technical)



**Appearance:-**

For the Applicant : Shri VK Sajith, Counsel  
For the Respondent : Shri R.Ramakrishna Gupta, Liquidator

**PER: BENCH**

**ORDER**

1. This is an application filed by the Applicant/Lead Secured Financial Creditor under Section 60(5) (c) read with 31A (11) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Rules 11, 13, 32 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as “the Code”) praying this Adjudicating Authority to approve the decision of replacement of the Liquidator as approved by the members of Stakeholders consultation committee.

2. **The gist of the Application in brief:**

2.1 It is averred that the Respondent was appointed as the Ld. Liquidator for the Corporate Debtor by the orders of this Tribunal dated 12<sup>th</sup> October, 2019, for the past four years the Respondent is discharging the duties of the Liquidator. The Respondent is expected to complete the Liquidation process in a timebound manner within the prescribed statutory period however such timelines have not been adhered to in case of the Corporate Debtor under liquidation, which is a grave cause of concern as the core assets of the Corporate Debtor i.e., Plant and machinery are bound to suffer impairment if left unattended or timely maintenance and upkeep is not being carried out or handed over under any mode to individual or institution capable and competent to revive the Corporate Debtor under liquidation.



2.2 It is stated that the Resolution Plan submitted by the Corporate Applicant was declared as not approved with the requisite majority by the Apex Court as a consequence this Tribunal ordered for liquidation of the Corporate Debtor vide order dated 26.10.2018 the Liquidation process was initiated, the Erstwhile resolution professional was replaced by Tribunal "Suo Moto", the Respondent was appointed as the Ld. Liquidator to conduct the liquidation process within the prescribed timelines and procedure prescribed for the process of liquidation as applicable from time to time as per norms the Liquidation process was expected to be concluded by the Liquidator by 26.10.2020, even as on date i.e., 17.10.2023 the sale of assets as an ongoing concern or strip sale has not been successful. The reasons attributed by the Ld. Liquidator for the inordinate delay is unexplainable.

2.3 It is stated that the secured lenders relinquished their security interests favoring the Respondent Ld. Liquidator. During the course of the liquidation period i.e., from 26.10.2018 the respondent has attempted to sell the corporate debtor as a going concern, thereafter on a "stand alone sale basis" the attempts were not successful. The Ld. Liquidator has lately placed on record in the meeting of the stakeholders that one parcel of the asset is landlocked, the core asset has access issues, etc., the lenders relinquished the secured asset almost 3 years earlier trusting the Ld. Liquidator will discharge his duties in a timely and orderly manner. After an elapse of Four plus years, the Ld. Liquidator is unable to liquidate the assets as well as recently identified certain boundary issues on one of the non-core assets.

2.4 It is stated that during the past 4 years of the Corporate Debtor in liquidation only 4 sale notices were issued to sell the assets of the Corporate Debtor and realize the Maximum Value. The first notice for sale was on 12.10.2019 with a reserve price of Rs.610 (fair price as going concern) which failed due to the non-participation of prospective bidders. After the first sale notice the respondent carried out three auction notices by reducing the reserve price permissible as mandated under the existing regulations, strange enough no expression of interest which resulted in successful bidder participation being received by him, “instead of reaching out & invite probable, possible and potential suitors. The Ld. Liquidator adopted “the wait and expect” approach a serious and grave professional, who is in control and custody of the assets of the Corporate Debtor in his fiduciary relationship as a Trustee to the Stakeholders of the Corporate Debtor in Liquidation.

2.5 It is stated that this oversight in the discharge of the duties is contrary to the objective of the Statute which mandates to swiftly and effectively dispose of the assets, the Liquidator failed to exercise the Authority conferred on him by the Tribunal by not protecting the assets from erosions and litigation initiated by neighboring land owners in one of the Land parcels. Timelines have not been adhered to resultant effect is the core assets of the Corporate Debtor in his fiduciary relationship as a Trustee to the Stakeholders of the Corporate Debtor in Liquidation.



2.6 It is stated that this oversight in the discharge of the duties is contrary to the objective of the Statute which mandates to swiftly and effectively dispose of the assets, the Ld. Liquidator failed to exercise the Authority conferred on him by the Tribunal by not protecting the assets from erosions and litigation initiated by neighboring land owners in one of the land parcels. Timelines have not been adhered to resultant effect is the core assets of the Corporate Debtor i.e., the plant and machinery are subjected to the vagaries of nature, erosion, and impairment the attempts to dispose of the asset in the form of sale notices are placed hereunder:

E-Auction Notice on 01.04.2020 Reserve price was Rs.460 Crores

E-Auction Notice on 10.06.2020 Reserve price was Rs.410 Crores

E-Auction Notice on 26.07.2020 Reserve price was Rs.350 Crores

E-Auction Notice on 10.08.2022 Reserve price was Rs.330 Crores

2.7 It is stated that while reserving the view on reasons for the reduction of the sale price on the assets of the corporate debtor, it is seemingly apparent that the liquidator had issued only 4 sale notices (amended as an extension, etc., 6 times), while regulation permits the liquidator to call for auction and as prelude issue sale notice every 15<sup>th</sup> day from the last failed auction. By these sale notices over a period of four years have not achieved any result except the original reserve price was diluted to nearly half of the reserve price as it was on the date of first notice without bearing the fact that the liquidation value is 460 crores.

2.8 It is stated that the reason attributed by the Ld. Liquidator that much time has been lost on litigation does not hold logic there was no stay



or restraining order or impediment in any of the pending litigation of whatsoever in nature and a cause of those litigations, which handicap the Liquidator of the assets under his control and custody the liquidator has attempted to prove efficiency, however, his actions and conduct have not been effective either in managing the affairs of the CD in liquidation nor in clearing the so called hurdles of litigation.

2.9 It is stated that the Respondent Liquidator has informed the Stakeholders that there are some issues with the Land Parcels mortgaged by the borrower resulting in the same no one expressing interest in buying the same. All the lenders of the corporate debtor are in constant view that the respondent liquidator failed to discharge his duty in a time-bound manner. It is stated that the Liquidator has been non-co-operative with the Committee, the Liquidator failed to complete the process even after elapse of 4 years, belatedly identified issues on the Boundaries of the landed property of the Corporate Debtor, which are not tenable reasons for inordinate delay in closing the Liquidation, the Financial Creditor stakeholder committee members have lost Faith and trust on the incumbent Liquidator i.e., the Respondent. Left with no option, and by following the process prescribed under regulation 31A(11) resolved to replace the incumbent Liquidator as the sole respondent in this application.



2.10 It is stated that in the JLM meetings as well as the communications with the Liquidator, it is evident that the liquidator has been non-co-operative, and lacked transparency on the issue relating to assets of the Corporate Debtor, the issue was except recently brought to the notice of the Committee, the issue raised by the Corporate Debtor was

not in existence while the security interest was released. As per the decision the Lenders of the Corporate Debtor, the Respondent liquidator have called for the 20<sup>th</sup> Stakeholders Consultation Committee Meeting held on 29.09.2023 and decided unanimously to replace the Respondent Liquidator with one Mr. Siva Naga Raja Taduvi by passing the following resolution approved by the lenders unanimously:

*“Proposal to replace the present Liquidator Mr. R. Ramakrishna Gupta with Mr. SIVA NAGA RAJA TADUVI, bearing registration number, IBBI/IPA-03/IP-00065/2017-18/10551) to be the new liquidator process to complete the liquidation process in a time bound manner. This is with the concurrence and appraisal to the bench too as this issue was discussed by the Tribunal in the last hearing dated 25.09.2023. The Change is subject to the final decision of the Tribunal.”*

*“Proposal to authorize Indian Bank, the lead Financial Creditor to file a petition with the Hon’ble Adjudicating Authority and seek suitable direction for the same.”*

2.11 It is stated that as per the decision of the secured lenders of the corporate debtor the Applicant herein is moving the present application before this Tribunal for directions.



**Counter filed by the Respondent, inter-alia stating that:**

3.1 It is stated that the various facts and developments as part of Liquidation Process since his appointment as the Liquidator of the Corporate Debtor as follows:

a. Belated relinquishment of “Security Interest” by the Lenders to the Liquidation Estate:

i. It is stated that the Corporate Debtor has been admitted into the Liquidation Process on 26<sup>th</sup> October, 2018 by the order of this Tribunal and appointed the Respondent as the Liquidator. It is stated that the Liquidator wrote a mail to all Financial Creditors vide his email dated 15<sup>th</sup> December, 2018 about the need to form the Liquidation Estate Under Section 36 of IBC, 2016 and relinquishment of Security Interest and also apprised them about this in the 1<sup>st</sup> Meeting of Stakeholders held on 17<sup>th</sup> December, 2018 and enquired about the decision of the Financial Creditors to relinquish the Security Interest.

ii. It is further stated that all the assets of the Corporate Debtor were mortgaged to Indian Bank (Lead Bank), Oriental Bank of commerce (Now Punjab National Bank), Bank of Maharashtra, Allahabad Bank (Now Indian Bank), JM Financial Asset Reconstruction Company Limited, Andhra Bank (Now Union Bank of India), The Central Bank of India and Indian Overseas Bank i.e., Financial Creditors and charges are filed and registered with the concerned Registrar of Companies, and it is a consortium lending.

iii. It is stated that the last relinquishment was received from Indian Overseas Bank on 12<sup>th</sup> July, 2019. That Liquidator could not proceed and initiate the Sale of the assets of the Corporate Debtor till 12<sup>th</sup> July 2019 (i.e., from 26<sup>th</sup> October, 2018 to 12<sup>th</sup> July, 2019)—more than 9 months from Liquidation Commencement Date (LCD).





**b. In-ordinate delay in handing over of Original Title Deeds to the Liquidator by Indian Bank:**

- i. That the Liquidator has requested the Indian Bank, Lead Bank vide his first letter dated 9<sup>th</sup> October, 2019 to handover the original documents of the Title Deeds of the Lands of the Corporate Debtor along with connected documents with reminders on 18<sup>th</sup> December 2019 and 21<sup>st</sup> July 2020 and a email on 3<sup>rd</sup> August, 2020.
- ii. That it is only on **24<sup>th</sup> August, 2020** (Closes to 22 Months after the Liquidation Commencement Date), the original documents of Sale Deeds (Title Deeds) of the lands of the Corporate Debtor were handed over to Liquidator by the Indian Bank. However, no other papers such as Encumbrance Certificates, Legal Opinions, if any, on lands of CD, Land Survey reports, etc., concerning the boundaries of Lands of the Corporate Debtor were made available nor given to Liquidator.

**c. Various Sale Notices and e-auctions conducted by the Liquidator:**

- i. It is stated that immediately after the receipt of relinquishment of Security Interest to Liquidation Estate (i.e., on 12<sup>th</sup> July, 2019), the liquidator has proceeded to conduct the Liquidation Process and issued Five Sale Notices and conducted eleven (11) e-auctions for Sale of the assets of the Corporate Debtor.
- ii. It is stated that the time gap between the 4<sup>th</sup> Sale Notice and 5<sup>th</sup> Sale Notice is due to judicial intervention and granting additional time



by this Tribunal, Hyderabad Bench to the M/s. Nimmagadda Surya Pradeep Biotech Pvt Ltd (Successful Bidder) to pay the balance sale consideration who later failed to pay the balance Sale Consideration of Rs. 346 Crores on or before the extended period.

**d. Success of e-auction in 4<sup>th</sup> Sale Notice & SCC concurrence to grand additional time to make the Payment:**

- i. It is stated that during the 4<sup>th</sup> Sale Notice, M/s. Nimmagadda Surya Pradeep Biotech Pvt Ltd (Successful Bidder) participated in e-auction and declared as a sole bidder to acquire the Corporate Debtor as a going concern for a bid amount of Rs. 351 Crores and paid EMD of Rs. 5 Crores.
- ii. It is stated that the Liquidator has issued “Declaration and Issue of Letter of Intent” dated 28<sup>th</sup> August, 2020 declaring them as Successful Bidder and requiring to pay the balance sale consideration of Rs. 346 Crores. That as the Successful Bidder failed to pay the Balance Sale Consideration, Liquidator issued Cancellation of Sale vide his letter dated 7<sup>th</sup> June, 2021. However, the successful bidder further filed Interlocutory Application with the Tribunal seeking further extension.
- iii. It is stated that on the representation of successful Bidder seeking further time, even the proposal was placed in SCC meeting and discussed with them, and they have agreed to additional time of up to 30-40 days and granted time up to 31<sup>st</sup> December, 2020 and against up to 25<sup>th</sup> March, 2021 to make the balance payment. It is



stated that finally, this Tribunal in its Common order dated 18<sup>th</sup> April, 2022 in IA. 727 of 2021 & IA. 114 of 2022 directed the liquidator to forfeit the EMD amount and go for fresh Sale.

e. Fresh Valuation CD and Land-Lock of non-core assets is existing prior to Liquidation Commencement.

- i. It is stated that the Liquidator has filed Interim Application No. IA 493 of 2022 seeking approval of the Tribunal to conduct fresh valuation of the assets of the corporate debtor and the Tribunal granted the approval on 01.06.2022 to carry out the fresh valuation of the assets of the Corporate Debtor. That the fresh valuation was apprised to the SCC members in the meeting held on 05<sup>th</sup> May, 2022

f. Non-core asset of CD is Land-lock even prior to Liquidation Commencement Date

- i. That as per the Official Survey Report, Revenue survey was conducted by Surveyor, M.R.O, Narketpally and the land belonging to Corporate Debtor on survey nos. 115,117, 118, 119, 120, 121 &796 to the extent of 52.23 Acres has been identified and the boundaries are earmarked. It is stated that after CIRP was started during February, 2017 by the Tribunal, the same valuation procedure was adopted and accordingly, assets were valued by approved engineers in April, 2017 by M/s. Serval Krishna Engineers Private Limited and M/s True Engineers and Valuers.

g. 5<sup>th</sup> Sale Notice dated 10<sup>th</sup> August, 2022 issued and Lock was apprised to SCC Members



- i. It is stated that the Liquidator has proposed and discussed the 5<sup>th</sup> Sale notice in 14<sup>th</sup> Stakeholders Meeting held on 13<sup>th</sup> July, 2022 and wherein it was categorically apprised and submitted that the 52.23 acres land parcel of Corporate Debtor is land locked and accordingly proposed for 5<sup>th</sup> Sale for sale of assets of the Corporate Debtor in that meeting itself on as is where is basis and all the SCC members present concurred and noted the same.
- ii. It is stated that the 15<sup>th</sup> SCC Meeting held on 21<sup>st</sup> December, 2022, 17<sup>th</sup> SCC Meeting held on 20<sup>th</sup> April, 2023, 19<sup>th</sup> SCC Meeting held on 21<sup>st</sup> June, 2023 and 20<sup>th</sup> SCC Meeting held on 29<sup>th</sup> September, 2023 and passed resolutions. In the 20<sup>th</sup> SCC Meeting was held on 29<sup>th</sup> September 2023 where an item to replace the Liquidator with new Liquidator was proposed. An e-voting was conducted from 9<sup>th</sup> October, 2023 to 11<sup>th</sup> October, 2023 for the following resolutions:

Resolution 1: Replacement of Liquidator

“Proposal to replace the present Liquidator Mr R. Ramakrishna Gupta with Mr. SIVA NAGA RAJA TADUVI, bearing registration number, IBBI/IPA-03/IP-00065/2017- 18/10551) to be the new liquidator to complete the liquidation process in a time bound manner. This is with the concurrence and appraisal to the bench too as this issue was discussed by the Tribunal in the last hearing dated 25.09.2023. The Change is subject to final decision of the Tribunal”.



Resolution -1 is declared as passed with voting of share of 93.82% voted in favour of the resolution and members with voting of share 0.28% opposed the resolution and the members with voting share of 5.90% are abstained from Voting. Accordingly, the resolution is declared passed.

Resolution 2: Authorisation to Indian Bank to file an IA

*“Proposal to authorise Indian Bank, the lead Financial Creditor to file petition with the Hon’ble Adjudicating Authority and seek suitable direction for the same.”*

Resolution -2 is declared as passed with voting of share of 94.10% voted in favour of the resolution and members with voting of share NIL opposed the resolution and the members with voting share of 5.90% have abstained from Voting. Accordingly, the resolution is declared passed.

3.2 It is stated that the Respondent also filed para wise reply. It is stated that the applicant has alleged that Liquidator’s attempt to sell the Corporate Debtor as a going concern and on a stand-alone sale basis were not successfully and has lately placed on record in the meeting of the stakeholders that one parcel of the asset is landlocked, more than 3 years have elapsed, it is the SCC Members who are unanimously and continuously keeping the auction on hold since after Tribunal Common Order dated 18<sup>th</sup> April, 2022 in IA No 727 of 2021 & IA 114 of 2022 directing the liquidator to forfeit the EMD amount and go for fresh Sale, the Liquidator convened 13<sup>th</sup> Stakeholder



Meeting on 5<sup>th</sup> May, 2022 and proposed to sell the factory assets as “Company as a Going Concern and also on piecemeal basis” also.

3.3 It is stated that the Liquidator has issued in total 5 Sale Notices and (11) e-auctions were conducted for sale of the assets of the Corporate Debtor. All the sale notices and E auctions were conducted in consultation & knowledge of the SCC members including the applicant. It is only the SCC who are holding the liquidator hands tight in not proceeding further.

3.4 It is stated that it is the duty of SCC members who should have done proper diligence and got the assets secured/mortgaged to them before sanctioning the credit facility. It is a clear case of lack of diligence by Financial Creditors & merely trying to throw the blame on liquidator for their false. The allegation that the timeliness has not been adhered to is false and baseless. Further the reduction of reserve price from Rs. 610 Cr to 460 Cr and to Rs. 350 Crs and finally to Rs. 330 Crs is purely as permitted under law as per Schedule 1 of 4A and 4B of IBBI, (Liquidation Process) Regulations, 2016 and is apprised to SCC Members in their meetings.



3.5 It is stated that the fact that success of an effective liquidation process is due to mutual, trust cooperation, Open discussion, and willingness to accept the views and share the details these are fundamentals in a regulated and organized process of Liquidation. That in no occasion there is non-cooperation of liquidator and none of SCC meetings, neither applicant nor any other members of SCC have expressed nor complained about non-cooperation including the 20<sup>th</sup> SCC meeting

where the proposal to replace the Liquidator was proposed by the Applicant.

3.6 It is stated that The liquidator has taken over these assets on As is Where is Basis and the Liquidator has not made any alterations nor permitted any new developments or litigations and the records of the Corporate Debtor i.e., Mandal Revenue Survey Report clearly established this fact that this issue was prevalent much prior to the Liquidation Commencement Date.

3.7 It is sated that as per the IBC, 2016 and the Liquidation Regulations, role of SCC is only advisory in nature, the appointment of Liquidator is made by the Tribunal under the powers derived from Section 34 of the IBC, 2023 and it is the discretion and wisdom of Tribunal on the plausible grounds suggested by SCC to exercise its power to replace the Liquidator and SCC do not possess any Commercial wisdom unlike CoC during the CIRP process. In view of the facts and reasons stated, it is prayed that this Tribunal pleased to dismiss of the application.

4. After taking into consideration of oral and written submission by both the parties the point which arises for our consideration is:

**POINT:**

- 1. Whether to go for replacement of liquidator in over all interest of all stakeholders and if so whether the insolvency professional as recommended by the Stakeholders Consultation Committee (SCC) be appointed as liquidator or some other liquidator be appointed from the panel of Insolvency and Bankruptcy Board of India?**

5. We have heard Learned Counsel Shri V.K.Sajith for Applicant and Shri Ramakrishna Gupta, liquidator and perused the record.
6. We have gone through the application filed by the Lead Financial Creditor for change of liquidator in the liquidation process of M/s.Kamineni Steel & Power India Private Limited. We have also perused the counter filed by the Respondent i.e., the present liquidator and heard both sides.

7. **Our findings and observations are as under:**

7.1 The liquidation process in this case was ordered on 12.10.2019 and as per the norms the liquidation process was expected to be concluded by 26.10.2020 but the liquidation process has failed to achieve the desired progress and still it is almost at the initial stage even after lapse of more than 4 years.

7.2 The applicant contends that the delay in the liquidation process is mainly attributed to the liquidator as he has not discharged his duties effectively in conducting e-auctions and finding out suitable buyers for the Corporate Debtor. The Applicant further states that in the last two years only 4 e-auctions have been conducted and on every further e-auction notice, the reserve price was reduced and thus the original reserve price was diluted to nearly half of the reserve price as it was on the date of the first notice.

7.3 Keeping in view these issues, the SCC in its 20<sup>th</sup> meeting held on 29.09.2023 passed a resolution to change the liquidator with voting of 93.82% in favour of the resolution for changing the





liquidator. In the same resolution SCC also resolved to recommend another liquidator, Mr. Siva Naga Raja Taduvi, bearing registration number, IBBI/IPA-03/IP-00065/2017-18/10551 in place of the existing liquidator.

7.4 The Respondent i.e., existing liquidator in his counter contends that liquidation process got delayed because of belated relinquishment of secured interest by the lenders and also delay in handing over of original title deeds by the Indian Bank. He further submitted that the issues like land lock nature of the property etc., were already there before commencement of liquidation process and hence he cannot be held accountable for the undue delay which has happened in the liquidation proceedings . The liquidator submits that he got relinquishment of Security Interest to Liquidation Estate on 12<sup>th</sup> July, 2019, and the original documents of Sale Deeds (Title Deeds) of the lands of the Corporate Debtor were handed over to Liquidator by the Indian Bank on **24<sup>th</sup> August, 2020** (Closes to 22 Months after the Liquidation Commencement Date).



We observe from the submissions of both the Applicant and Respondent that there appears to be lack of coordination and trust deficit between both of them. The Liquidator blames that liquidation process could not be taken forward for want of relinquishment of security interest and handing over of title deeds but we observe that this process got completed in August -2020 and more than 3 years have lapsed even after that without any noticeable progress in the liquidation process. We also observe that liquidator as well as

creditors as members of SCC were not taking any active role to protect the value of CD,s properties and for timely completion of liquidation process. The Bench took suo moto notice of the inordinate delay and other issues involved in the liquidation procees , while hearing IA no 1026/2023 for extension of liquidation period and therefore ordered personal appearance of all the SCC members on 25.09.2023. On that date, neither Liquidator nor SCC members ( Creditors) could convince the Bench about inordinate delay in the liquidation process except blaming blaming each other. Thereafter, this application for change of liquidator was filed on 19.10.2023. In the above backdrop and keeping in view that liquidation process has already been delayed to a great extent and further delay will be causing heavy loss to all the stakeholders, we hold a view that for smooth conduct of liquidation process it is necessary that a new liquidator needs to be appointed in place of existing liquidator.

9. The Regulation of 31A(11) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 provides for replacement of liquidator, the relevant part of which is reproduced as under:

*(11) The consultation committee, after recording the reasons, may by a majority vote of not less, than sixty-six per cent., propose to replace the liquidator and shall file an application, after obtaining the written consent of the proposed liquidator in Form AA of the Schedule II, before the Adjudicating Authority for replacement of the liquidator:*

*PROVIDED that where a liquidator is proposed to be replaced, he shall-*

*(a) continue to work till his replacement; and*



*(b) be suitably remunerated for work performed till his replacement.”*

10. The SCC has already passed a resolution in terms of the said regulation with required majority hence as per the above said regulation existing liquidator can be changed with the new liquidator. Therefore, taking into account the resolution passed by the SCC with required majority in compliance of regulation 31A (11) , we decide for replacement of liquidator in over all interest of all stakeholders.
11. As per the said resolution , the SCC has recommended name of Mr. Siva Naga Raja Taduvi to be appointed as new liquidator. We hold a view that we are not bound by the SCC recommendation in appointing a new Liquidator in place of existing liquidator in terms of Section 34 of IBC, 2016. The above said section clearly says that the appointment of Insolvency Professional as liquidator is to be done by the Adjudicating Authority. In accordance with the same, we think it more appropriate to appoint the Resolution Professional from the Insolvency and Bankruptcy Board of India panel to complete the process effectively and in a timely manner.



Thus, the point raised is answered and we order for change of liquidator and appoint **Mr.Kallat Vatsa Kumar** with registration No.IBBI/IPA-002/IP-N00922/2019-2020/12980, email ID: [kvkumar.ip@gmail.com](mailto:kvkumar.ip@gmail.com) , Mobile No. 9061640003 as new liquidator for the Corporate Debtor in place of existing liquidator , Mr Ramkrishna Gupta. We further direct as under :

- 1) Existing liquidator Mr Ramkrishna Gupta is directed to handover all the documents, papers and details pertaining to Corporate Debtor and liquidation process to the new liquidator immediately after he takes over charge as liquidator of the CD.
  - 2) The new liquidator is directed to submit his consent in appropriate form in the registry within 3 days of receipt of the order and take charge of liquidation process within a week from the receipt of the order.
  - 3) All other members of SCC are directed to provide active and full support to the new liquidator in discharging his duties effectively in a time bound manner.
13. Accordingly, the application is partly allowed and disposed of.

SD

Charan Singh  
Member Technical

SD

Dr. Venkata Ramakrishna Badarinath Nandula  
Member Judicial

*Sridher/pavani*



*[Signature]*  
10/11/2023  
Deputy Registrar / Assistant Registrar / Court Officer  
National Company Law Tribunal, Hyderabad Bench..

प्रसंगित प्रति  
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केस संख्या  
CASE NUMBER..(P/IB)No.:11/10/HDB/2017  
निर्णय का तारीख  
DATE OF JUDGEMENT...8/11/23.....  
प्रति तैयार किया गया तारीख  
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