



IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Through Hybrid Mode)

Item No.1

IA (IBC)/388/2025 in IA (IBC)LIQUIDATION/01/2025 in
CP (IB)/204/7/AMR/2019
(Admitted on 18.02.2022/
Liquidation Order Passed on 09.04.2025)

IN THE MATTER OF:

PP Bafna Ventures Pvt.Ltd.

... Financial Creditor

Versus

KVR Industries Pvt.Ltd.

... Corporate Debtor

Under Section: 7, 60(5) of IBC, 2016

Regulation: 44(2) of the IBBI Regulations

Rule: 11 of NCLT Rules, 2016

Order delivered on 30.09.2026

CORAM:

SHRI KISHORE VEMULAPALLI, HON'BLE MEMBER (JUDICIAL)

SHRI UMESH KUMAR SHUKLA, HON'BLE MEMBER (TECHNICAL)

PRESENT:

In Main CP

Liquidator

: Mr. Srinivas Rao Gudla

In IA (IBC)/388/2025 in IA (IBC)LIQUIDATION/01/2025

For the Applicant : Mr. Shaik Gouse, Adv.

For the Respondent : Mr. Varun Srinivasan, Adv

ORDER

IA (IBC)/388/2025:

Orders pronounced and recorded *vide* separate sheets. The Application bearing **IA (IBC)/388/2025 in IA (IBC) (Liq.)/01/2025** filed by the Financial Creditor is **dismissed and disposed of**.

Sd/-

(UMESH KUMAR SHUKLA)
MEMBER (TECHNICAL)

Sd/-

(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH AT MANGALAGIRI**
*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

**IA (IBC)/388/2025 in IA (IBC)(Liquidation)/1/2025 in
CP (IB)/204/7/AMR/2019**

Under Section 60(5) of the Insolvency
and Bankruptcy Code, 2016 read with
Regulation 44(2) of the Insolvency
and Bankruptcy Board of India
(Liquidation Process) Regulations,
2016 and Rule 11 of the National
Company Law Tribunal Rules, 2016

IN THE MATTER OF CP (IB)/204/7/AMR/2019:

PP Bafna Ventures Private Limited

..... Financial Creditor

Versus

KVR Industries Private Limited

..... Corporate Debtor

AND IN THE MATTER OF IA(IBC)/388/2025 in IA(IBC)(Liquidation)/1/2025

Srinivas Rao Gudla

Liquidator of KVR Industries Private Limited
Flat No. 201, Aqua Towers, East Point Colony,
Visakhapatnam-530017.

..... Applicant/ Liquidator

Versus

1. Punjab National Bank

LIC Building, Near RTC Complex,
Visakhapatnam-530002.

..... Respondent No. 1

2. Monitoring Committee Chairman and RP

Mr. M. Madhusudhan Reddy,
MMR Lion Corporation,
4th Floor, HSR Eden, Road No. 2,
Banjara Hills, Hyderabad-500034.

..... Respondent No. 2

ORDER DELIVERED ON: 30.09.2026



CORAM: HON'BLE SHRI KISHORE VEMULAPALLI, MEMBER (JUDICIAL)
HON'BLE SHRI UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

PRESENT:

For the Applicant/ Liquidator : Mr. Srinivas Rao Gudla along with
Mr. Shaik Gouse, Advocate
For the Respondent No.1 : Mr. Varun Srinivasan, Advocate

ORDER
[PER: BENCH]

The present Interlocutory Application bearing no. IA(IBC)/388/2025 (hereinafter referred to as the "**IA 388/2025**" or "**Application**") in IA(IBC)(Liquidation)/1/2025 (hereinafter referred to as the "**IA 1/2025**") has been e-filed on 24.10.2025 and physically filed vide Diary No. 2282 dated 13.11.2025, by Mr. Srinivas Rao Gudla, Liquidator (hereinafter referred to as the "**Applicant**" or "**Liquidator**") of KVR Industries Private Limited (hereinafter referred to as the "**Corporate Debtor**") under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "**IBC**" or "**Code**") read with Regulation 44(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as the "**Liquidation Regulations**") and Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as the "**NCLT Rules**") praying to direct the Punjab National Bank (hereinafter referred to as the "**Respondent No. 1**" or "**PNB**"), to remit to the Liquidation Estate Account the sum of Rs.2.60 crore received under the first tranche of the Resolution Plan and Performance Bank Guarantee (hereinafter referred to as the "**PBG**") amount being forfeited in terms of the Hon'ble NCLAT Order dated 04.07.2025.



FACTS OF THE CASE:

2. The facts of the case averred by the Applicant in the present IA, are summarized below:

- (i) This Adjudicating Authority vide Order dated 18.02.2022, admitted the **Corporate Debtor** into the Corporate Insolvency Resolution Process (hereinafter referred to as the “**CIRP**”) in the Company Petition bearing no. CP(IB)/204/7/AMR/2019 (hereinafter referred to as the “**CP 204/2019**”) filed by PP Bafna Ventures Private Limited (hereinafter referred to as the “**Financial Creditor**” or “**PPBVPL**”) under Section 7 of the Code, and appointed Mr. Purushottam Behera as the Interim Resolution Professional (hereinafter referred to as the “**IRP**”) and later Mr. M. Madhusudhan Reddy was appointed as the Resolution Professional (hereinafter referred to as the “**Respondent No. 2**” or “**RP**”).
- (ii) The RP issued the Expression of Interest (hereinafter referred to as the “**Eoi**”), and pursuant to which three Resolution Plans were received.
- (iii) In the 13th meeting of the Committee of Creditors (hereinafter referred to as the “**CoC**”) held on 04.04.2023, one of the Resolution Plan submitted by the consortium of Bhumireddy Gari Mohan Reddy, Rajendra Kumar Goel and Naveen Srinivasa Yalamanchili (hereinafter referred to as the “**Successful Resolution Applicant**” or “**SRA**”) was approved by the CoC and this Adjudicating Authority vide its Order dated 06.09.2024 approved the said Resolution Plan,



and thereafter, the RP constituted a Monitoring Committee consisting of himself as the Chairman.

- (iv) As per the approved Resolution Plan, the SRA was obliged to pay the settlement amount in 3 tranches i.e., Rs.2.60 crore within 30 days, Rs.2.60 crore within 120 days and balance amount of Rs.20.50 crore within 180 days of the approval of Resolution Plan.
- (v) The SRA paid only the first tranche of Rs.2.60 crore, which was distributed by the Respondent No.2 to the Respondent No. 1 herein, but defaulted on the remaining tranches of Rs.23.10 crore.
- (vi) The SRA filed IA(IBC)/2/2025 before this Adjudicating Authority seeking extension of time for payment of the 2nd and 3rd tranches from 08.01.2025 to 08.04.2025 and from 09.03.2025 to 09.06.2025 respectively, and the same was dismissed by this Adjudicating Authority vide its Order dated 27.03.2025.
- (vii) The Respondent No.2 filed IA(IBC)/21/2025 before this Adjudicating Authority seeking directions to the Monitoring Committee to either liquidate the Corporate Debtor or continue with the Resolution plan implementation, and this Adjudicating Authority vide Order dated 23.01.2025 directed the Respondent No.2 to take appropriate steps as per law.
- (viii) The Monitoring Committee at its meeting held on 30.01.2025 resolved to seek liquidation and accordingly, the Respondent No.2 filed IA 1/2025 under Section 33 of the IBC, and this Adjudicating Authority vide its Order dated 09.04.2025, passed the liquidation



order under Section 33(3) of the IBC and appointed the Applicant herein as the Liquidator.

- (ix) Pursuant to the liquidation order dated 09.04.2025, the Applicant immediately took the charge of the Corporate Debtor, issued the public announcement in Form-B inviting claims from stakeholders, received & verified the claims under Regulation 30 of Liquidation Regulations, prepared/ filed the list of Stakeholders, constituted the Stakeholders' Consultation Committee (hereinafter referred to as the "**SCC**") in accordance with Regulation 31A of the Code and also convened the 1st meeting of the SCC to commence the liquidation process.
- (x) In the meantime, the SRA filed an appeal before the Hon'ble NCLAT bearing Company Appeal (AT) (CH) (Ins) Nos. 302 & 303 of 2025, which was disposed of vide Hon'ble NCLAT Order dated 04.07.2025, and Hon'ble NCLAT granted a final opportunity to the SRA to pay the entire balance by 30.09.2025, failing which *"the liquidation order dated 09.04.2025 shall stand revived, the amounts already paid shall stand forfeited, and the appeal shall stand disposed of"*. The copy of the Hon'ble NCLAT order dated 04.07.2025 is enclosed as Annexure-1 of the IA.
- (xi) Consequent upon the order of Hon'ble NCLAT dated 04.07.2025, granting time to the SRA up to 30.09.2025 for implementation of the approved Resolution Plan, the Chairman of Monitoring Committee, i.e., the erstwhile RP, sought possession of the Corporate Debtor from the Liquidator in order to facilitate the Plan implementation.



- (xii) In compliance with the aforesaid Order of the Hon'ble NCLAT, the Liquidator duly handed over possession and control of Corporate Debtor and its records to the Monitoring Committee.
- (xiii) The SRA once again, failed to make payment by 30.09.2025 to implement the approved Resolution Plan as per the Order of the Hon'ble NCLAT, and accordingly, the Monitoring Committee in its 7th meeting held on 03.10.2025 resolved to continue the liquidation process and requested the Liquidator to retake control of the Corporate Debtor and proceed with the liquidation in accordance with the Hon'ble NCLAT Order dated 09.04.2025. The copy of the Minutes of the Monitoring Committee dated 03.10.2025 is enclosed as Annexure-2 of the IA.
- (xiv) The Liquidator, in compliance with the above and in order to proceed to take possession of the Corporate Debtor in continuation of the liquidation order dated 09.04.2025 passed by this Adjudicating Authority and to submit an updated report on the progress of the matter before this Adjudicating Authority, filed this IA seeking appropriate directions to record the continuation of the liquidation process.
- (xv) As per the express terms of Hon'ble NCLAT's order, the amounts already paid by the SRA and the proceeds of the PBG stand forfeited and must therefore, be remitted into the Liquidation Estate to ensure equitable distribution under Section 53 of the Code.



(xvi) This Adjudicating Authority is empowered under Sections 33(3), 35(1)(b) and 60(5)(c) of the Code read with Rule 11 of the NCLT Rules, to issue such consequential directions, as may be required to give effect to its earlier order and to facilitate expeditious completion of the liquidation.

COUNTER BY THE RESPONDENT No. 1:

3. The Respondent No.1. vide Diary No. 292 dated 17.02.2026, filed its Counter contending that the IA is not maintainable in facts and law and the same are summarised below:

- (i) The Corporate Debtor was admitted into CIRP vide Order dated 18.02.2022 of this Adjudicating Authority. The Respondent No. 1 is the sole member of the CoC of the Corporate Debtor.
- (ii) The Resolution Plan dated 02.03.2023 was approved by this Adjudicating Authority vide Order dated 06.09.2024 passed in IA(IBC)/165/2023. By virtue of the said Resolution Plan, the SRA was to make the payment of the Settlement Amount Tranche 1 as per following deadlines, as envisaged under the Resolution Plan:

"Settlement Amount Tranche 1" shall mean the maximum amount payable by the Resolution Applicant as provided in Clause 5.1.7 of this Plan on Settlement Date Tranche 1."

"Clause: 5.1.6 Settlement Amount: The settlement amount to be paid by the Resolution Applicant and/or the Corporate Debtor shall be as follows:

<i>A</i>	<i>B</i>	<i>C</i>
<i>1.</i>	<i>Settlement Amount Tranche 1: Rs. 2,60,00,000/- (Rupees Two Crores and Sixty Lakh Only)</i>	<i>Settlement Amount Tranche 1 Date Before the 30th Business Day (or such extended dates as approved by the Monitoring committee provided the same is with an affirmative vote of the nominee of CoC) from the date of receipt by the Resolution Applicant the certified copy of the order of the NCLT approving this Resolution Plan. The amount will be deposited to an Escrow Account constituted by the Resolution Professional/ Monitoring Agent after approval of the Resolution Plan.</i>



		<i>The amount will be available for distribution to the creditors as per terms of this Resolution Plan on a date mutually decided by the CoC and the Resolution Applicant after final approval of the plan.</i>
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- (iii) As per the said Resolution Plan, clause 5.1.7 prescribes the procedure for the distribution of the said Settlement Amount Tranche 1. The paragraph concerning the financial creditors is extracted hereunder:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Distribution Waterfall (in Rs.)</i>
....		
3	<i>The amount to Financial Creditors</i> <i>Note: The allocated amount under this head for distribution is to be paid on a paripassu basis based on respective Verified Amount of Financial Creditors.</i> <i>Notwithstanding anything mentioned in this Resolution Plan the amount will alter with a negative adjustment if any applied towards Settlement Amount Tranche 2as mentioned in clause 5.1.7 and 5.1.8 (1) above if there is unpaid insolvency resolution process cost.</i>	23,36,00,000/- (Rupees Twenty Three Crores Thirty Six Lakhs Only)

- (iv) In the Minutes of 2nd meeting of the Monitoring Committee held on 04.11.2024, the Monitoring Committee resolved that an amount of Rs.1,36,14,810/-, out of a total Rs. 2,60,00,000/- be disbursed to the Financial Creditors. The paragraph concerning the Financial Creditor is extracted hereunder:

"Details of the disbursement is as below:

<i>S. No</i>	<i>Nature of Payment/Creditors</i>	<i>Amount Rs.</i>
...		
6.	<i>Financial Creditors</i>	<i>136,14,810</i>
	<i>Total</i>	<i>260,00,000"</i>



- (v) The Respondent No.1 received a sum of Rs.1,28,63,905/- in November 2024 by the Respondent No. 2, in accordance with the Resolution Plan.
- (vi) Subsequent failure of Resolution Plan leading to liquidation will not undo the acts validly carried out during the CIRP. In terms of Section 31(1) of the Code, once a Resolution Plan is approved by the Adjudicating Authority, the same is binding on all the stakeholders including creditors, SRA and Corporate Debtor, and the same cannot be unilaterally altered or undone. The reliance has been placed on various decisions of the Hon'ble Supreme Court, wherein the Hon'ble Court has upheld the binding nature of the Resolution Plan.
- (a) In the Judgment of Hon'ble Supreme Court in ***Ebix Singapore Private Limited and Ors. vs. Committee of Creditors of Educomp Solutions Limited and Ors.*** (13.09.2021-SC): (MANU/SC/0628/2021), it was held as follows:
- "204....A submitted Resolution Plan is binding and irrevocable as between the CoC and the SRA in terms of the provisions of the IBC and the CIRP Regulations..."*
- (b) In the Judgment of Hon'ble Supreme Court in ***Ghanashyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited and Ors.*** (13.04.2021 SC): (MANU/SC/0273/ 2021), it was held as follows:
- "95. In the result, we answer the questions framed by us as under:*
(i) That once a resolution plan is duly approved by the Adjudicating Authority Under Sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees,



members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders..."

- (c) In the Judgement dated 07.03.2025 of Hon'ble NCLAT in the matter of ***M/s Riddhi Siddhi Gluco Biols Limited vs. Sunit Jagdishchandra Shah*** in Company Appeal (AT) (Ins) No.187 of 2025, it was held as follows:

"20....Section 31 deals with approval of Resolution Plan. Section 31(1) provides that if the Adjudicating Authority is satisfied that the Resolution Plan as approved by the CoC under Section 30(4) meets the requirements as referred to in Section 30(2), it shall by order approve the resolution plan which shall be binding on the Corporate Debtor and other stakeholders involved in the Resolution Plan..."

- (vii) The SRA failed to make the payments on time as envisaged under the Resolution Plan, which consequently resulted in IA 1/2025 preferred by the Respondent No.2 seeking for liquidation of the Corporate Debtor.
- (viii) The SRA filed IA(IBC)/2/2025 seeking for extending the time for payment of 2nd and 3rd tranches of the Resolution Plan amount i.e., from 08.01.2024 to 08.04.2025 and from 09.03.2025 to 09.06.2025 respectively, which came to be dismissed by this Adjudicating Authority vide its Order dated 27.03.2025.
- (ix) Aggrieved by the above Order, the SRA preferred an Appeal before the Hon'ble NCLAT, which was allowed vide order dated 04.07.2025 subject to the conditions as imposed by the Respondent No. 1 herein. The Hon'ble NCLAT, while allowing the said Appeal also observed that the conditions imposed by the Respondent No.



1 herein, will form "part and reasons" of the said order. The said conditions form an integral part of the order passed by the Hon'ble NCLAT.

- (x) The same was also brought to the attention of the Liquidator, as it is evident from the Minutes of the 7th Meeting of the Monitoring Committee held on 03.10.2025. The relevant paragraph of the same is reproduced below:

"...further explained that since the due date has lapsed without compliance, the amounts paid by the SRA till date shall stand forfeited, and affairs of the corporate debtor along with the properties are to be handed over to the Liquidator, as per the directions of the Hon'ble NCLAT. Consequently, liquidation of the CD will take effect in accordance with the said order..."

- (xi) The Hon'ble Supreme Court in the case of **Shri Karshni Alloys Private Limited vs. Ramakrishnan Sadasivan** (10.12.2025 - SC) MANU/SC/1657/2025 held that the NCLT can order forfeiture of entire deposit, if purchaser of liquidation assets defaults in payments.
- (xii) The Respondent No. 1 herein is under no legal obligation to refund the said amount, as the same stood forfeited in terms of the specific conditions, pursuant to which Respondent No. 1 herein, acceded to the request of the SRA seeking extension of time for payment. Furthermore, the Liquidator by singling out only the Respondent No. 1 herein will result in arbitrary and capricious act, secluding Respondent No. 1 herein as against other Financial Creditor.
- (xiii) In view of the above, the Respondent No. 1 herein had received the said amount that was rightfully due to them and subsequent failure



leading to liquidation does not authorize the Liquidator to undo acts that were duly carried out during the CIRP.

- (xiv) The Respondent No. 1 herein, having already received the said amount had filed its claim in the liquidation proceedings in Form-D after duly deducting the said sum and therefore, there is no undue enrichment or unfair advantage accruing to Respondent No. 1 herein in any manner and the amount forfeited has been appropriated by the Respondent No. 1 herein, which is in accordance to the order of the Hon'ble NCLAT.
- (xv) The Respondent No. 1 filed claim in Form-C for Rs.23,36,20,592/-, which is inclusive of principal amount of Rs.19.26 crores, and while filing claim in Form-D after adjusting Rs.1.10 crore, Rs.0.18 crore and Rs.2.57 crore, reduced its claim amount concerning the principal amount to Rs.15,40,73,049/-, which is also accepted by Liquidator. Hence, the Liquidator cannot question the validity of the said amounts, which were duly accepted by him in the first place.
- (xvi) The Respondent No. 1 herein duly mentioned in the Form D submitted to the Liquidator that it had received Forfeited EMD amount of Rs. 2.57 crore, and the same was reduced at the time of filing the claim.
- (xvii) The amount, which was already distributed, was said to stand forfeited only upon the non-payment of the settlement amount within the time prescribed by the Hon'ble NCLAT and as a consequence,



the appointment of liquidator would revive back and will have its own legal effect.

- (xviii) Hon'ble NCLAT had envisaged the condition of non-payment and had not contemplated a scenario of non-compliance by SRA. It is submitted that the judicial orders passed by the Hon'ble NCLAT attain finality and are binding unless set aside by a superior Court and the Liquidator cannot approach this Adjudicating Authority and seek for this Court to sit on Appeal over directions passed by the Hon'ble NCLAT.
- (xix) The amounts received by Respondent No. 1 herein do not form part of the liquidation estate, as erroneously contended by the Liquidator. For any amount to form part of the liquidation estate, it must fall strictly within the scope and meaning of Section 36 of the Code, which is not the case herein, as the amounts have already been received by the Respondent No. 1 herein pre-liquidation in tune with the direction of the Hon'ble NCLAT and which acts, have not been questioned by the Liquidator post-admission of the claims of the Respondent No. 1 herein.
- (xx) The Respondent No.1 herein is the sole secured financial creditor and amounts distributed under Section 53 of the Code will be received by the Respondent No.1 herein only. It would be illogical to repay the amount, which the Respondent No.1 is eligible to receive anyway.



(xxi) An application has been preferred by the SRA before the Hon'ble NCLAT, which has been served on this Respondent and the status of the same is at present unknown.

4. During the course of hearing dated 13.04.2026, the Liquidator sought four weeks' time to file the audited Balance Sheet of the Corporate Debtor as on the liquidation commencement date.

5. Pursuant to this Adjudicating Authority Order dated 13.04.2026, the Liquidator, vide Diary No. 959 dated 09.06.2026, filed Memo dated 06.06.2026 enclosing the copy of the Audited Balance Sheet of the Corporate Debtor as on 07.11.2025.

6. During the course of hearing dated 10.06.2026, both the Counsels sought and was granted two weeks' time to file the judicial precedents for the subject matter of this IA.

7. During the course of hearing dated 25.08.2026, it was noted that in spite of sufficient opportunities, the Respondent No.2 neither filed its Counter nor appeared before this Adjudicating Authority. Accordingly, the right of Respondent No.2 to file its Counter was forfeited and Respondent No.2 was set *ex-parte*. Further, both the Counsels submitted that pursuant to the order dated 10.06.2026, they could not find any judicial precedent on facts similar to those involved in the present Application. The Counsel for the Liquidator submitted that, pursuant to the failure of the SRA to comply with the Resolution Plan and the consequent continuation of the liquidation proceedings in terms of the liquidation order dated 09.04.2025, the amount of Rs.2.60 crore received under the



first tranche of the Resolution Plan, together with the forfeited PBG amount, forms part of the liquidation estate and is required to be transferred to the Liquidation Estate Account. Per contra, the Counsel appearing for Respondent No.1 submitted that the Hon'ble NCLAT, vide its conditional order dated 04.07.2025, had granted an opportunity to the SRA to pay the balance amount, failing which the liquidation proceedings would continue in terms of the order dated 09.04.2025. It was further submitted that the amounts received and adjusted prior to the liquidation order dated 09.04.2025 were not part of the liquidation estate. It was contended that only amounts, if any, received subsequent to the commencement of liquidation would form part of the liquidation estate. It was also clarified that no amount was received by the Financial Creditor during the period from 09.04.2025 to 04.07.2025, which fact was also acknowledged by the Liquidator.

ANALYSIS AND FINDINGS:

8. We have heard the Liquidator, Counsels for the Liquidator and Respondent No.1 and perused the records carefully.

9. Before proceeding to examine the issue in the IA, we consider it appropriate to peruse the facts of the case;

(i) The Company Petition bearing no 204/7/HDB/2019 (hereinafter referred to as the “**CP 204/2019**” or “**Petition**”) was filed on 25.10.2019 before this Adjudicating Authority under Section 7 of the IBC by the financial creditor namely, PP Bafna Ventures Private Limited, for default of intercorporate deposit amounting to



Rs.12,55,00,000/- and interest @ 12% amounting to Rs.1,22,54,301.37.

- (ii) During the pendency of CP 204/2019, this Adjudicating Authority vide its Order dated 12.02.2020 in TCP(IB)119/9/AMR/TP/2019 (hereinafter referred to as the “**TCP 119/2019**”) filed by the operational creditor, M/s Eshwar Enterprises under Section 9 of the IBC, initiated the CIRP of the Corporate Debtor and the CP 204/2019 accordingly, was disposed of.
- (iii) Subsequently, M/s Eshwar Enterprises and Corporate Debtor, after an out of court settlement, filed IA No. 37/2020 for withdrawal of the TCP 119/2029, which was allowed by this Adjudicating Authority vide its Order dated 21.02.2020.
- (iv) Consequently, this Adjudicating Authority vide its Order dated 08.06.2020, restored the CP 204/2019 and subsequently, admitted the same vide its Order dated 18.02.2022, to initiate the CIRP of the Corporate Debtor and appointed Mr. Purusottam Behera, Mumbai, Maharashtra as the IRP.
- (v) Th IRP issued the public notice on 21.02.2022 in Business Standard (All India Edition) and Prajasakti-Telugu (Visakhapatnam and Srikakulam Edition) and vide its report dated 15.03.2025 informed that he received from the suspended Directors & Promoters, the books of accounts for the financial year 2020 with some hard coded numbers only, with no supporting documents and admitted the



claim amounts based on the limited available information and accordingly, has constituted the CoC as below:

Figures in Rs.

Sl. No	Name of Financial Creditor	Address	Amount Claimed	Amount Admitted	Amount Rejected	Amount under Verification	% Vote
	Secured Creditor						46.13%
1	Punjab National Bank	LIC Building, Near RTC Complex, Visakhapatnam - 530002	23,36,20,592	23,35,70,592	-	50,000	
	Unsecured Creditor						53.87%
2	PP Bafna Ventures Pvt Ltd - Inter Corporate Deposit	No. III, World Trade Centre, Kharadi, Pune - 411014	24,64,34,747	17,27,43,014	-	7,36,91,733	
3	PP Bafna Ventures Pvt Ltd - Penalty on Inter Corporate Deposit	No. III, World Trade Centre, Kharadi, Pune - 411014	17,87,87,310	10,00,00,000	7,87,87,310	-	
4	PP Bafna Ventures Pvt Ltd - Working Capital	No. III, World Trade Centre, Kharadi, Pune - 411014	4,87,44,428	-	-	4,87,44,428	
5	PP Bafna Ventures Pvt Ltd - Investment Amount under Share Subscription Agreement	No. III, World Trade Centre, Kharadi, Pune - 411014	4,81,08,775	-	-	4,81,08,775	
6	PP Bafna Ventures Pvt Ltd - Penalty on Breach of Share Subscription Agreement	No. III, World Trade Centre, Kharadi, Pune - 411014	17,87,87,310	-	7,87,87,310	10,00,00,000	
7	PP Bafna Ventures Pvt Ltd - Damages for Breach of Agreements	No. III, World Trade Centre, Kharadi, Pune - 411014	10,00,00,000	-	10,00,00,000	-	
8	PP Bafna Ventures Pvt Ltd - Business Loss	No. III, World Trade Centre, Kharadi, Pune - 411014	75,99,677	-	75,99,677	-	
	Sub Total		80,84,62,247	27,27,43,014	26,51,74,297	27,05,44,936	
	Unsecured Creditor - Related Party						
9	Kotha Venkata Rao	15-171/1, Cheepurupalli Road, Rajam 532127, Srikakulam	2,87,97,389	-	2,87,97,389	-	
	Total		1,07,08,80,228	50,63,13,606	29,39,71,686	27,05,94,936	100%



- (vi) Subsequently, this Adjudicating Authority vide its Order dated 08.06.2022 read with Order dated 21.09.2022 in IA No 54/2022 filed by the Punjab National Bank, ordered that Mr. Praful Prakash Bafna, Mr. Yogesh Prakash Bafna and PP Bafna Ventures Private Limited be declared as related parties to the Corporate Debtor and shall not be continued in the CoC and directed the IRP to reconstitute the CoC accordingly.
- (vii) Pursuant to the aforesaid Order, the IRP reconstituted the CoC on 23.08.2022 as under:

Figures in Rs. Crores				
Sr No.	Name	Amount Claimed	Amount Admitted	% Voting
1	Punjab National Bank	23.36	23.36	100%

- (viii) This Adjudicating Authority vide its Order dated 24.08.2022 in IA No 71/2022 vacated the prohibitory orders dated 19.02.2020 and 07.03.2022 issued by the GST and EPFO Departments to the Axis Bank in view of the fact that their claims were totally admitted by the IRP.
- (ix) This Adjudicating Authority vide its Order dated 07.09.2022 in IA No 201/2022 filed by the Punjab National Bank, allowed to replace IRP by RP.
- (x) The RP appointed valuers for all three classes of assets and average fair value and liquidation value worked out by them are as below:



Asset Class	Average Fair Value (Rs.)	Average Liquidation Value (Rs.)
Land and Building	7,44,70,000	5,35,30,000
Plant and Machinery	16,06,50,724	10,81,70,793
Securities and Financial As	1,40,03,106	1,38,63,106
	24,91,23,830	17,55,63,899

(xi) The CoC in its 13th meeting of held on 04.04.2023, approved the Resolution Plan submitted by the SRA.

(xii) As per Clause 17.10 of the Resolution Plan, the SRA proposed to provide a Performance Guarantee for an amount of Rs.2,57,00,000/-. The relevant extracts of the Resolution Plan is reproduced below:

17.10 Performance Guarantee: As per regulation 36B of IBBI(CIRP) regulations, *“the request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.”*

The Resolution Applicant proposes to provide a Performance Guarantee by way of BG / Demand Draft / Transfer of Funds as Deposit for an amount of INR 2,57,00,000/- (INR Two Crore Fifty Seven Lakhs Only) i.e 10% of the plan value as stipulated in the RFRP within 7 days of notification of approval of resolution plan. The EMD of INR 10,00,000/- (INR Ten Lakhs only) submitted earlier by the resolution applicant shall be treated part of Deposit and balance shall be by BG / DD / Transfer of Funds. In case of deposit by way of Demand Draft / Transfer of funds may kindly be adjusted in the last payment of settlement.

(xiii) In compliance to the aforesaid clause, the SRA vide its letter dated 13.04.2023, informed to the RP regarding payment of Rs.2,57,00,000/-. The relevant extracts of the aforesaid letter is reproduced below:



**MR. BHUMIREDDY GARI MOHAN REDDY, MR RAJENDRA KUMAR GOEL AND MR.
NAVEEN SRINIVASA YALAMANCHILI CONSORTIUM**

Villa No 374, Adarsh Palm Retreat, Behind Intel Complex, Devarabisanahalli, Outer Ring
Road, Bangalore - 560103

Email id: Mohanbhumireddy70@gmail.com

Mobile No: 9740803111

Date: 13/04/2023

**To,
Sri Maligi Madhusudhana Reddy
Resolution Professional in the matter
of KVR Industries Pvt Ltd
MMR Lion Corp, 4th Floor, HSR Eden,
Beside Cream Stone, Road No.2,
Banjara Hills, Hyderabad, Telangana-500034**

Dear Sir,

Sub: Payment of 10% of Bid Amount - Rs. 2,57,00,000/-

Ref: Our Resolution Plan submitted for KVR Industries Pvt Ltd

This is with reference to our Resolution Plan submitted for KVR Industries Private Limited. We are thankful to you for your intimation that we are selected as Successful Bidder.

As per the terms of RFRP we are providing below payment details paid by Mr. Naveen Srinivasa Yalamanchili, our Consortium member, towards the payment of 10% of our Bid amount.

Paid via RTGS UTR No. KKBKR52023021300658691 on 13/02/2023 for Rs. 10,00,000/-

Paid via RTGS UTR No. KKBKR52023041300905394 on 13/04/2023 for Rs. 2,47,00,000/-

Total paid

Rs. 2,57,00,000 /-

(Rupees Two crores fifty seven lakhs only)

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For Consortium of Mr. Bhumireddy Gari Mohan Reddy
Rajendra Kumar Goel and Naveen Srinivasa Yalamanchili

Mr. Naveen Srinivasa Yalamanchili
Member of Consortium

(xiv) The aforesaid receipt from the SRA was deposited on 13.04.2023 with the Respondent No.1 in the name of Corporate Debtor in Fixed Deposit-Sugam Deposit. The relevant extracts of the aforesaid Fixed Deposit-Sugam Deposit is reproduced below:

पंजाब नैशनल बैंक Punjab National Bank

पंजाब नैशनल बैंक का पंजीकृत कार्यालय: 4, द्वारका, नई दिल्ली H.O. Plot No. 4, Sector-10, Dwarka, New Delhi www.pnbIndia.in

जमा-पुष्टि

CONFIRMATION OF DEPOSIT

शाखा क्रमांक/ Branch Sd No. 0706100	ग्राहक आई.डी. नं./ Customer I.D. No. 001124150	खाता नं./ Account No. 079610AN0000366	श्रेणी/ Category 16512450	प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
क/ प्राप्त/ Received from Sh./Smt./M. KVR INDUSTRIES PRIVATE LIMITED CHAP		दिनांक/ Date of Birth 1970/01/01		प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
निवासी/ Resident of M.M. LION CORP., 4TH FLOOR, 1ST DEN, BESIDE CREAM STORE HYDERABAD, TELANGANA		वर्ष/ Year 2023		प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
₹ 2,57,00,000.00 DORS	for a period of	के 100/100 at the rate of	6.25% per annum	प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
रुपये/ Rupees Two Crore Fifty Seven Lakh only				प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
व्यक्ति को जारी/ Date of Issue 13-04-2023	व्यक्ति का नाम/ Name 13-04-2023	प्रविष्टि का तारीख/ Date of Maturity 10-10-2023	प्रविष्टि का मूल्य/ Maturity Value 2,64,92,223.00	प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
योजना/ Scheme FD - SUGAR DEPOSIT (SUG)		व्यक्ति को जारी करने के लिए/ Interest to be credited to A/c No. Repayable A/c - No Repayable A/c		प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED
		नाम/ Nomination		प्रविष्टि का प्रकार/ Mode of Operation DEPOSITED

Pan Number: NA

हम आपसे उपरोक्त जमा राशि स्वीकार करने की पुष्टि करते हैं।
We confirm having accepted from you the above deposit.

गलतपूर्ण सूचना के लिए कृपया पृष्ठ के पीछे देखें।
Please see on reverse for important information.

अधिकृत हस्ताक्षर/ Authorised Signatory (SBPA No.)

अधिकृत हस्ताक्षर/ Authorised Signatory (SBPA No.)

PNB-1169-DCT20-200 Ver1.0-CC120-SESHAASAI

(xv) The RP vide Diary No. 2053 dated 17.04.2023, filed IA 165/2023 for approval of the Resolution Plan, which was allowed by this Adjudicating Authority vide its Order dated 06.09.2024 approving aforesaid Resolution Plan. As per Form-H (page 99 of the IA 165/2023) submitted by the RP, the amounts provided for the stakeholders under the Resolution Plan is as under:



Rs. in Lakhs

Sl. No.	Category of Stake holder	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan	Amount Provided to the Amount Claimed (%)
1	2	3	4	5	6	7
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	-	-	-	-
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan	2,336.00	2,336.00	2,336.00	100%
		Total[(a) + (b)]	2,336.00	2,336.00	2,336.00	100%
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21	6,584.00	2,727.00	136.35	5.00%
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan	-	-	-	-
		(ii) who voted in favour of the resolution plan	-	-	-	-
		Total[(a) + (b)]	6,584.00	2,727.00	136.35	5.00%
3	Operational Creditors	(a) Related Party of Corporate Debtor	-	-	-	-
		(b) Other than (a) above:				
		(i) Government	350.41	350.41	23.57	6.73%
		(ii) Workmen	-	-	-	-
		(iii) Employees	11.17	-	11.17	100.00%
		(iv) Other Operational Creditors	730.87	336.68	16.84	5.00%
		Total[(a) + (b)]	1,092.45	687.09	51.58	4.38%
4	Other debts and dues	CIRP Cost (Estimate)	-	-	45.00	100%
		Grand Total	10,012.45	5,750.09	2,568.93	44.68%



(xvi) As per Clause 5.1.6 of the Resolution Plan, the settlement amount is Rs.25,70,00,000/-, which is to be paid by the SRA and/ or the Corporate Debtor as shown below:

A	B	C
1.	Settlement Amount Tranche 1: Rs. 2,60,00,000/- (Rupees Two Crores and Sixty Lakhs Only)	Settlement Amount Tranche 1 Date Within 30 days from the date of approval of Resolution Plan by NCLT.
2.	Settlement Amount Tranche 2: Rs. 2,60,00,000/- (Rupees Two Crores and Sixty Lakhs Only)	Settlement Amount Tranche 2 Date Within 120 days from the date of approval of Resolution Plan by NCLT.
3.	Settlement Amount Tranche 3: Maximum of Rs.20,50,00,000/- (Rupees Twenty Crores Fifty Lakhs only)	Settlement Amount Tranche 3 Date Within 180 Days from the date of approval of Resolution Plan by NCLT.
Total Settlement Amount	Maximum of a) Rs. 25,70,00,000/- (Rupees Twenty Five Crores and Seventy Lakhs only) obtained by adding Total Settlement Amount 1, 2 and 3 Tranches. Note: 1)The said amount shall be the maximum outlay of the Resolution Applicant under this Plan and shall be subject to the applicable interest calculated/ mentioned under each of the heads/ rows as mentioned above. 2) The Resolution Applicant undertakes to bring in funds in the form of equity/ quasi equity/ long-term & short-term debts interest bearing instruments to meet the repayment obligation and/or to finance any other financial obligations that may be required for the implementation of the Resolution Plan. Resolution Applicant also submits that the requisite funds required for implementation of this plan is available at their disposal at the time of submission of this Resolution Plan. 3) The Sources of funds for the abovementioned payments shall be as follows: a) for Settlement Amount Tranche 1: to be infused by RA b) for Settlement Amount Tranche 2: to be infused by RA c) for Settlement Amount Tranche 3: to be infused by RA. Cash flows from operations if any, of the Corporate Debtor / from sale of non-core assets of the Corporate Debtor shall also be utilized.	

(xvii) As per Clause 5.2.1. of the Resolution Plan, the settlement amount is to be distributed in the following manner:

I	Secured Financial Creditors – Others	Amount Claimed	% of distribution	Amount to be Paid
1	Punjab National Bank	23,36,00,000	100%	23,36,00,000
	TOTAL	23,36,00,000		23,36,00,000
II	Unsecured Financial Creditors – Related Party	Amount Claimed	% of distribution	Amount to be Paid
1	PP Bafna Ventures Private Limited	27,27,00,000	5%	1,36,35,000
	TOTAL	27,27,00,000		1,36,35,000
III	Government Dues	Amount Claimed	% of distribution	Amount to be Paid
1	Sales Tax	2,05,92,316	5%	10,29,616
2	Eastern Power Distribution of AP	1,38,12,174	5%	6,90,609
3	Provident Fund : Employee related dues	6,36,682	100%	6,36,682
	TOTAL	3,50,41,172		23,56,907
IV	Other Operational Creditors	Amount admitted	% of distribution	Amount to be Paid
1	Ash Logistic and Traders	-	5%	-
2	CS Chemicals	22,45,964	5%	1,12,298
3	Dev Paper Supplier	7,08,082	5%	35,404
4	DolaChandar Rao	19,73,409	5%	98,670
5	Dola Lokesh	2,44,576	5%	12,229
6	Indo Asian Cargo Movers	-	5%	-
7	Intelly Papers LLP	1,29,395	5%	6,470
8	Ivax Paper Chemicals Ltd	17,77,642	5%	88,882
9	Kanchan Commercial Co	27,453	5%	1,373
10	Meena Enterprises	3,72,444	5%	18,622
11	Onyx P&D Systems	10,70,000	5%	53,500
12	PP Bafna Ventures Pvt Ltd	-	5%	-
13	Polymer Industries India Ltd	1,84,520	5%	9,226
14	Premier (India) Bearings Ltd	3,96,280	5%	19,814
15	Ravi Kiran Industries	-	5%	-
16	Ravi Kiran Transport	-	5%	-
17	SK Cores & Containers	12,46,811	5%	62,341
18	Samarth Logistics	-	5%	-
19	Sanjana Traders	2,17,974	5%	10,899
20	Shivani Exports	19,87,617	5%	99,381
21	Siva Shakti Silicates	65,062	5%	3,253
22	Shree Durga Manikanta Enterprises	2,70,872	5%	13,544
23	Shree Maheswari Lorry Transport	9,42,888	5%	47,144
24	Sri LakshminarayanaMinarals	13,22,025	5%	66,101
25	Thirumala Traders	17,72,974	5%	88,649
26	Vaishnavi Traders (LAS Narayana)	65,96,042	5%	3,29,802
27	Varad Logistics	-	5%	-
28	Vasavi General Stores	7,60,468	5%	38,023
29	Vijayambica Enterprises	-	5%	-
30	Vijaya Lakshmi Traders	4,74,588	5%	23,729
31	Vasavi Prabalambika General Stores	46,12,520	5%	2,30,626
32	Suzalchem Technologies Pvt Ltd	6,65,321	5%	33,266
33	CJ Darcl Logistic Ltd	35,96,396	5%	1,79,820
34	Associated Cargo Movers	-	5%	-
35	Bhavani Traders	32,890	5%	1,645
36	J K Paper Fibre Resources	-	5%	-
37	Mis Industries	-	5%	-
	TOTAL	3,36,94,213		16,84,711
V	Other Operational Creditors- Employees	Amount Claimed	% of distribution	Amount to be Paid
1	Triloknath Singh	2,40,000	100%	2,40,000
2	Sonu Raj Viswakarma	3,19,284	100%	3,19,284
3	Avesesh Maheswari	5,57,355	100%	5,57,355
	TOTAL	11,16,639		11,16,639
VI	CIRP Expenses	0		45,00,000
	GRAND TOTAL	57,61,52,024		25,68,93,257

Say

25,70,00,000

(xviii) Further, as per Clause 5.1.8 of the Resolution Plan, other than the Secured Financial Creditors, all other creditors will be paid out of Settlement Amount Tranche 1 and the Secured Financial Creditors, the payments will be from Settlement Amount Tranches 1, 2 and 3.



- (xix) Clause 6.4 of the Resolution Plan further provides that the amount received by the Persons receiving settlement under the Resolution Plan shall be Corporate Debtor's full and final payment/ performance, and the same shall discharge and satisfy of all its obligations to such Persons and all Claims, liabilities, damages, penalties, causes of action or loss (whether admitted/ verified/ submitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed, present or future or whether or not set out in the balance sheet or profit & loss account of the Corporate Debtor or the list of the creditors) of such Persons and other Creditors against the Corporate Debtor, and all Claim shall stand irrevocably and unconditionally settled, discharged and extinguished in perpetuity.
- (xx) It is noted that as per the approved Resolution Plan, the due dates of Settlement amount works out as below:

Settlement amount	Resolution Plan	Due Date
	Approval of Resolution Plan by NCLT	06.09.2024
Settlement Amount Tranche 1- Rs.2.60 crore	Within 30 days from the date of approval of Resolution Plan by NCLT.	06.10.2024
Settlement Amount Tranche 2- Rs.2.60 crore	Within 120 days from the date of approval of Resolution Plan by NCLT.	04.01.2025
Settlement Amount Tranche 3- Rs.20.50 crore	Within 30 days from the date of approval of Resolution Plan by NCLT.	05.03.2025

- (xxi) As per the Item No.3 Minutes of the 2nd meeting of the Monitoring Committee the Corporate Debtor held on 04.11.2024 (page 22 of the R1 Counter), the SRA paid Settlement Amount Tranche 1 of Rs.2.60 crore in the following manner:

- Rs.50,00,000/ on 07.10.2024,



- Rs.30,00,000/- on 18.10.2024,
- Rs.20,00,000/- on 28.10.2024 and
- Rs.1,10,00,000/- & Rs.50,00,000/- on 30.10.2024

(xxii) The distribution of the aforesaid amount of Rs.2.60 crore to the stakeholders as recorded in Item No.3 of the Minutes of the 2nd meeting of the Monitoring Committee is as below:

S.No	Nature of Payment / Creditors	Amount Rs.
1	CIRP Expenses	45,00,000
2	Regulatory & Incentives as per IBBI	27,83,822
3	Op. Creditors (Employee dues)	11,04,324
4	Op. Creditors (Govt., dues)	23,30,913
5	Op. Creditors (other than employee & govt dues)	16,66,130
6	Financial Creditors	136,14,810
	Total	260,00,000

(xxiii) As per the minutes of 3rd meeting of the Monitoring Committee held on 08.01.2025 (Item No.6) it was informed by the Respondent No.2 that the operation of the Corporate Debtor along with the physical possession of the plant has been handed over to the SRA in the presence of representative of Respondent No.1 on going concern basis and relevant forms have been filed with IBBI intimating closure of CIRP and Form-28 for demitting of RP with the MCA.

(xxiv) In the 3rd meeting of the Monitoring Committee (Item No.3), the non-receipt of Tranche 2 was recorded and the Respondent No.1 placed its concern and opposed the extension of 2nd and 3rd Tranche payments and the Respondent No.2 informed the SRA to keep the assets of the Corporate Debtor intact till the successful implementation of the approved Resolution Plan.

(xxv) In 4th meeting of the Monitoring Committee held on 31.01.2025 (Item No.3), the Respondent No.1 opposed the extension of



settlement of Tranche 2 & 3 and directed the Respondent No.2 to file application for liquidation of the Corporate Debtor.

(xxvi) In view of the above The RP filed IA 1/2025 for initiation of liquidation of the Corporate Debtor and this Adjudicating Authority vide its Order dated 09.04.2025, passed the liquidation order under Section 33(3) of the IBC and appointed the Applicant as the Liquidator.

(xxvii) The Liquidator issued the Public Announcement on 26.04.2025 in Business Standard (English News Paper) in Hyderabad edition and in Eenadu (Telugu News Paper) and based on the claims received, constituted the Stakeholders Consultation Committee.

(xxviii) The Liquidator vide Diary No.1389 dated 15.07.2025, filed the Preliminary Report, which also states that the Liquidator also obtained the valuation of Land & Building and Plant & Machinery on commencement of Liquidation, as shown in the Table below:

Type of Asset	Fair Value	Liquidation Value
Plant & Machinery – RV1	9,54,71,971	6,68,30,380
Plant & Machinery – RV2	9,30,03,712	6,25,88,617
Land & Building – RV1	8,08,67,834	6,06,50,875
Land & Building – RV2	7,65,82,234	5,30,56,676

10. It is noted that the fair value and liquidation value of the assets of the Corporate Debtor as valued by the Valuers during CIRP and Liquidation are as below:



Asset Class	Value (Rs.)	Liquidation		CIRP	
		Fair Value (Rs.)	Liquidation Value (Rs.)	Fair Value (Rs.)	Liquidation Value (Rs.)
		Average	Average	Average	Average
Land	19,93,412	7,87,25,034	5,68,53,776	7,44,70,000	5,35,30,000
Building	3,18,51,525				
Plant & Machinery	5,11,01,071	9,42,37,842	6,47,09,499	16,06,50,724	10,81,70,793
Stock / Inventory	14,44,24,326	1,49,666	1,49,666	1,40,03,106	1,38,63,106
Financial Assets	7,48,03,514				
	30,41,73,848	17,31,12,542	12,17,12,940	24,91,23,830	17,55,63,899

(xxix) It is also noted from the preliminary report filed by the liquidator that the amount of claim received by the Liquidator has not been mentioned and he has mentioned only the voting shares of the stakeholders as shown below:

SI. No	Name of Stakeholder	Voting Share	Contact Details
Secured Financial Creditor			
1.	Punjab National Bank	74.75%	e-mail Id: zs8341@pnb.co.in Mobile No: 8585013434
Operational Creditor other than Govt dues and employees			
2.	Sree Laxmi Narayana Minerals	13.70%	e-mail Id: sreelakshminarayanaminerals@gmail.com Mobile No: 9440102088
Operational Creditors Government dues			
3.	Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL)	11.55%	e-mail Id: sao_vzm@apeasternpower.com Mobile No: 9440143107
Suspended Board of Director			
4.	Kotha Venkat Rao		e-mail Id: chairman@kvrgroups.com Mobile No: 9866077799

(xxx) Against the Liquidation Order dated 09.04.2025 passed by this Adjudicating Authority, the SRA filed an appeal before the Hon'ble NCLAT, which was disposed of vide Order dated 04.07.2025 granting the final opportunity to the SRA to pay the balance amount by 30.09.2025, failing which the liquidation order dated 09.04.2025



shall stand revived, and the amounts already paid shall stand forfeited. The relevant extract of the Hon'ble NCLAT order dated 04.07.2025 is reproduced below:

7. When these two Appeals were taken up today, a consensus was arrived at between the parties to the proceedings to the effect that, the sole Financial Creditor i.e. Punjab National Bank / Respondent No. 2 who would be the ultimate sufferer due to the delayed payment of the 2nd and the 3rd Tranche, has today filed an affidavit through the Chief Manager, Punjab National Bank submitting thereof that, the Appellants to the two Company Appeals herein, has approached the Financial Creditor seeking an extension of time to make the balance payment as per the approved Resolution Plan and owing to the assurance, that was extended, the Financial Creditor has agreed in principle to extend the period till 30.09.2025 for making the balance payment as per the approved Resolution Plan, subject to certain terms and conditions as detailed in the said affidavit, that the Appellants are under the terms and conditions as given in the Memorandum Affidavit presented before the Tribunal, they would not have any grievances, as such and they would be seeking the disposals of the two Appeals based upon the terms of settlement, which has been offered by the Appellants and accepted by the Financial Creditor / Respondent No.2.

8. The terms as offered by the Financial Creditor and accepted by the Appellant are enumerated hereunder; and it will form to be part and reasons for disposal of these Appeals:

SRINIVAS
S GUDLA
RAO
Digitally signed
by SRINIVAS
GUDLA RAO
Date: 2025.11.05
17:00:16 +05'30'

a. That the Appellant / Resolution Applicant should pay the balance payment of the 2nd tranche payment of Rs.2,60,00,000/- and the 3rd tranche payment of Rs.20,50,00,000/- that are due and payable as per the approved Resolution Plan vide the Order of the Hon'ble NCLT dated 06.09.2024 on or before 30.09.2025.

b. That the balance amounts due and payable by the Appellant / Resolution Applicant, as per the Resolution Plan, as stipulated in clause (a) of this Affidavit must be paid together with interest on a reducing basis at the rate of MCLR + 1% at the date of approval of the Resolution Plan or on the date of the total balance payments as per Clause (a), whichever is higher.

c. That in addition to the balance amounts due and payable by the Appellant / Resolution Applicant, as stipulated in clause (a) and (b) of this Affidavit, the Appellant is also required to pay the entirety of the CIRP / Liquidation costs incurred / that may incurred till the date of payment of all amounts that are due and payable by the Appellant / Resolution Applicant.

d. That in the event of the breach / failure to comply with any of the above terms and conditions, appropriate steps will be taken to initiate / revive Liquidation proceedings as against the Corporate Debtor and the Appellant / Resolution Applicant waives its right to challenge the same. Furthermore,



in the event of breach / failure to comply with any of the above terms and conditions, the amounts that have already been paid as per the Resolution Plan by the Appellant / Resolution Applicant and any amount paid thereafter, will stand forfeited and the Appellant / Resolution Applicant waives all rights as against claiming the same.”

9. The portion as extracted above will constitute to be the part of today's order and will have a binding precedent on the Appellant(s) who undertake that they would be strictly complying with the conditions given therein, failing which, the order of appointment of Liquidator, as impugned in the Company Appeal (AT) (CH) (INS) No. 303 / 2025, would revive back and will have its own legal effect.

10. Accordingly, the Company Appeal (AT) (CH) (INS) No. 302 / 2025 and Company Appeal (AT) (CH) (INS) No. 303 / 2025 are allowed. The respective orders which are under challenge therein i.e. the Impugned Order dated 27.03.2025 as rendered in IA (IBC) / 2 / 2025 in CP (IB) / 204 / 7 / AMR / 2019 and the order rendered on 09.04.2025 in IA (IBC) (Liq.) / 1 / AM / 2025 in CP (IB) / 204 / 7 / AMR / 2019 would hereby stand quashed, subject to the aforesaid conditions as referred to herein above. All pending Interlocutory Applications would stand closed.

(xvii) In 5th meeting of the Monitoring Committee held on 06.08.2025 (Item No.4), it is informed by the Respondent No.2 that after receipt of the Hon'ble NCLAT order he took the possession of the assets from the liquidator and handed over to the SRA, which was questioned by the Respondent No.1 as to how the handing over of the assets was affected when the SRA had not yet paid the full Resolution Plan amount. However, the Respondent No.2 has clarified that handing over was done strictly in accordance with the terms of Resolution Plan.



(xviii) In 6th meeting of the Monitoring Committee held on 10.09.2025 (Item No.4), the SRA assured for remittance of the balance plan amount in a single Tranche between 25.09.2025 to 26.09.2025.

(xix) In 7th meeting of the Monitoring Committee held on 03.10.2025 (Item No.3), the Respondent No.1 informed that no payments have been received from the SRA within the extended period and since the due date has lapsed without compliance, the amounts paid by the SRA till date shall stand forfeited, and affairs of the Corporate Debtor along with the properties are to be handed over to the Liquidator, as per the directions of the Hon'ble NCLAT,

(xx) Thereafter, the Liquidator filed this IA.

11. Under Section 36(1), the Liquidator is required to form an estate comprising the assets specified in Section 36(3). Section 36(3)(a) includes assets over which the Corporate Debtor has ownership rights; Section 36(3)(h) includes property belonging to or vested in the Corporate Debtor at the insolvency commencement date. The provisions of Section 36 of the Code is reproduced below:

Section 36: Liquidation estate.- (1) *For the purposes of liquidation, the liquidator shall form an estate of the assets mentioned in sub-section (3), which will be called the liquidation estate in relation to the corporate debtor.*

(2) *The liquidator shall hold the liquidation estate as a fiduciary for the benefit of all the creditors.*

(3) *Subject to sub-section (4), the liquidation estate shall comprise all liquidation estate assets which shall include the following:—*

(a) *any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the*



- balance sheet of the corporate debtor or an information utility or records in the registry or any depository recording securities of the corporate debtor or by any other means as may be specified by the Board, including shares held in any subsidiary of the corporate debtor;*
- (b) assets that may or may not be in possession of the corporate debtor including but not limited to encumbered assets;*
 - (c) tangible assets, whether movable or immovable;*
 - (d) intangible assets including but not limited to intellectual property, securities (including shares held in a subsidiary of the corporate debtor) and financial instruments, insurance policies, contractual rights;*
 - (e) assets subject to the determination of ownership by the court or authority;*
 - (f) any assets or their value recovered through proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47;*
 - (g) any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest;*
 - (h) any other property belonging to or vested in the corporate debtor at the insolvency commencement date; and*
 - (i) all proceeds of liquidation as and when they are realised.*
- (4) The following shall not be included in the liquidation estate assets and shall not be used for recovery in the liquidation:—*
- (a) assets owned by a third party, which are in possession of the corporate debtor, including—*
 - (i) assets held in trust for any third party;*
 - (ii) bailment contracts;*
 - (iii) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund;*
 - (iv) other contractual arrangements which do not stipulate transfer of title but only use of the assets; and*



- (v) such other assets as may be notified by the Central Government in consultation with any financial sector regulator;*
- (b) assets in security collateral held by financial services providers and are subject to netting and set-off in multi-lateral trading or clearing transactions;*
- (c) personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions that may be avoided under this Chapter;*
- (d) assets of any Indian or foreign subsidiary of the corporate debtor; or*
- (e) any other assets as may be specified by the Board, including assets which could be subject to set-off on account of mutual dealings between the corporate debtor and any creditor.*

12. Section 36(3)(a) of the Code contemplates inclusion in the Liquidation Estate any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor. In this regard, the Liquidator has placed on record the audited Balance Sheet of the Corporate Debtor as on 07.11.2025. On perusal of the Balance Sheet, it is noted that the both the amount of Rs.2.60 crore and 2,57 crore have not been reflected as asset of the Corporate Debtor. Furthermore, the Auditor, in the observations forming part of the audited financial statements, has specifically recorded that during the CIRP period, the SRA had deposited an aggregate sum of Rs.5.17 crore in the bank account of the Corporate Debtor and that the said funds had been utilised and distributed by the RP on various dates during the CIRP period.



13. Section 36(3)(h) of the Code further contemplates the liquidation estate shall also include any property belonging to or vested in the corporate debtor at the insolvency commencement date. However, it is noted that both Section 36 is silent regarding the treatment of the amount paid by the SRA and forfeited due to non-implementation of the Plan and both the counsels during the course of hearing submitted that there is no judicial precedent on facts similar to that involved in the present Application.

14. It is also noted that the distribution of the amount received from the SRA under Tranche 1 has specifically been mentioned in the resolution plan and the forfeiture of the PBG has also been specifically provided.

15. In view of the resolution plan approved with the collective wisdom of the CoC and consequential distribution of the amount received under the resolution plan of the SRA, this Adjudicating Authority has no jurisdiction to interfere with the distribution done as per the approved resolution plan and thus, the said amount cannot be called back to the Liquidation estate.

16. As a sequel to the aforesaid discussions, the **IA(IBC)/388/2025 is dismissed being devoid of merit.**

Sd/-
(Umesh Kumar Shukla)
Member (Technical)

Sd/-
(Kishore Vemulapalli)
Member (Judicial)

~Anusha