



S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
11-03-2025 AT 11:00 AM**

**CP (IB) No. 325/7/HDB/2020
AND**

**IA (IBC) 788/2022, IA(IBC) 1493/2023, Cont. A (IBC) 15/2023,
IA (IBC) 1653, 51 & 2012/2024, IA (IBC) (Liq) (Progress Report) 08/2025
& IA (IBC) 643/2022 in CP (IB) No. 325/7/HDB/2020
u/s. 7 of IBC, 2016**

IN THE MATTER OF:
LIC Housing Finance Ltd

...Financial Creditor

AND

M/s. Butta Infrastructure Pvt Ltd

...Corporate Debtor

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

O R D E R

IA (IBC) 1653/2024

Orders pronounced. In the result, **this application is allowed.**

**IA (IBC) 788/2022, IA(IBC) 1493/2023, Cont. A (IBC) 15/2023, IA (IBC)
51/2024, IA (IBC) 2012/2024 & IA (IBC) (Liq) (Progress Report) 08/2025**

Call on 08.04.2025.

IA (IBC) 643/2022

For hearing, call on 08.04.2025.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-I, HYDERABAD**

**I.A. No.1653 of 2024
in
CP (IB) No.325/7/HDB/2020**

In the matter of M/s Butta Infrastructure Pvt Ltd.

In the matter between:

Gonugunta Murali

Liquidator

Butta Infrastructure Private Ltd

House No.4/14, Butta House

KPHB Road, Madhapur

Hyderabad – 500081, Telangana.

.. Applicant

(Liquidator)

VERSUS

LIC Housing Finance Limited

No.137, HMG Ambassador

9th Floor, South Wing

Residency Road

Bengaluru – 560 025.

.. Respondent

(Financial Creditor)

APPLICATION UNDER SECTION 35(1)(n) & 60(5) OF
THE I&B CODE, 2016 READ WITH REGULATION 15
OF THE IBBI (LIQUIDATION PROCESS)
REGULATIONS, 2016.



DR.VENKATA RAMAKRISHNA BADARINATH NANDULA
HON'BLE MEMBER (JUDICIAL)

SHRI CHARAN SINGH
HON'BLE MEMBER (TECHNICAL)

Counsels present:

For the Applicant : Mr. Y. Suryanarayana
Mr. N. N. Sharma, and
Mr. Sachin Sharma, Advocates.

Liquidator : Shri Gonugunta Murali in person.

For respondent : Mr. M. Maharshi Viswaraj, Advocate.

Date of order : 11.03.2025

Per : Bench

ORDER

I. This application is filed by Liquidator of M/s Butta Infrastructure Pvt Ltd/ Corporate Debtor, through its Liquidator with the following prayers:

“(1) In view of the expiry of liquidation period of the Corporate Debtor on 30.06.2024 and the decision of the respondent not to extend the liquidation period further, appropriate directions be issued to the parties in the interest of the Corporate Debtor.”

II. Description of parties to the present proceedings.

The applicant:

He is an Insolvency Professional bearing Registration No.IBBI/
IPA-001/ IP-P00654/ 2017-2018/ 11139, appointed as



Liquidator of the Corporate Debtor, M/s Butta Infrastructure Private Limited vide order dated 24.02.2022 of this Tribunal.

Respondent:

The respondent/ LIC HFL is the secured financial creditor with 99.99% voting share in the Stakeholders' Consultation Committee (SCC) of the Corporate Debtor.

III. FACTS :

(1) Vide order dated 01.03.2021 in CP (IB) No.325/7/HDB/2020, this Tribunal has admitted the Corporate Debtor into CIRP and appointed Shri Krishna Komaravolu as IRP, who was subsequently appointed as RP.

(2) Vide order dated 01.03.2021, this Tribunal has admitted the petition and initiated proceedings of CIRP against the corporate debtor. Vide order dated 24.02.2022 in IA No.112 of 2022 in CP (IB) No.325/7/HDB/2020, this Tribunal has ordered liquidation of the Corporate Debtor and appointed the applicant as Liquidator of the Corporate Debtor.



(3) Vide e-mail dated 17.05.2022, the secured financial creditor / LIC HFL had relinquished security interest in only one of the properties of the Corporate Debtor situated at Banjara Hills, Hyderabad; and has not relinquished qua other property situated at Mahdapur. The Liquidator has filed IA No.1493 of 2023 for relinquishment of non-relinquished properties of the Corporate Debtor.

(4) It is stated by the applicant as regards the property situate at Banjara Hills, Hyderabad, admeasuring 7321.32 sq yds the applicant has learnt that it was mortgaged in the following manner:

In favour of respondent/ LIC HFL	In favour of others (figures in square yds)	
	SBI	618.33
	Sundaram Finance	542.39
	DBS (LVB)	734.40
5426.20 sq yds	Total	1895.12
Grand total (total land at Banjara Hills, Hyd)	5426.20 + 1895.12	7321.32



(5) The applicant states that the Member of the suspended Board did not disclose the above mortgage of balance land and that he could learn only on 20.07.2023 after several follow up e-mail communications.

(6) The applicant further states that out of the above Banks only Sundaram Finance has submitted its claim, however, after the time limit. The RP has rejected the same as time-barred and this Tribunal has declined to condone the delay.

(7) The applicant/ Liquidator has issued several e-auction notices in respect of the said Banjara Hills property, admeasuring 5426.20 sq yards (mortgaged to the respondent), by gradually reducing reserve price, as under:

e-auction notice dated	Reserve price (figures in crores of rupees)	Outcome of the notice
01.08.2023	144.0	No response
24.08.2023	130.0	-do-
17.09.2023	117.0	-do-
22.10.2023	117.0	-do-
29.11.2023	106.0	-do-



01.01.2024	096.0	-do-
26.01.2024	096.0	-do-
05.03.2024	096.0	-do-
17.04.2024	086.4	-do-

Aforesaid notices are at Annexure-1 (colly.).

(8) The Liquidator has filed IA (IBC) No.380 of 2023 for exclusion of time of 281 days consumed in disposal of application which was filed before the Hon'ble IV Senior Civil Judge, Civil Court, Hyderabad. The said application was allowed by this Tribunal vide order dated 06.03.2023 (Annexure-2 of this application).

(9) The Liquidator has filed IA (IBC) No.1887 of 2023 for extension of liquidation period. This Tribunal has granted extension of liquidation period from 01.12.2023 to 30.06.2024 vide order dated 11.12.2024 (Annexure-3).

(10) The applicant states that in view of the Resolution dated 25.06.2024 adopted by 16th Stakeholders' Consultation Committee Meeting (Minutes at Annexure-4); and in view of e-



mail communications dated 09.07.2024, 12.07.2024 (Annexure-5) exchanged between the Liquidator and LIC HFL, wherein it was transpired that though SCC Members have discussed reading extension of liquidation period in 16th Meeting of SCC held on 25.06.2024 (Minutes are at Annexure-4), the respondent/ LIC HFL in e-voting had rejected the resolution for seeking extension. The applicant seeks appropriate directions of this Tribunal by way of this application.

IV. No counter is filed.

V. Heard the learned counsel for the Liquidator. As can be seen from the averments, the Liquidator has submitted that though Stakeholders' Consultation Committee (SCC) had passed resolution approving to seek exclusion of the period, from 17.05.2022 to 22.02.2023, the Stakeholders' Consultation Committee (SCC) has not given consent to seek extension of liquidation period. Hence this application is filed. The Liquidator further states that nine e-auction notices were issued. However,



the intended sale under the said notices did not take place. In this backdrop, the present application has been filed on 31.07.2024.

VI. However, post-filing of this application, on 12.09.2024, the authorized representative of LIC HFL having 99.99% stake, had appeared before this Tribunal and stated that LIC HFL is now interested in supporting a Resolution seeking extension of liquidation period and the same was recorded in Daily Order dated 12.09.2024. Thereafter, on 04.10.2024, Stakeholders' Consultation Committee (SCC) has taken up Resolution seeking to file an application for further extension of liquidation period for an additional nine months on retrospective basis, which had expired on 30.06.2024 till 31.03.2025, in as much as the company assets were to be sold and various applications are pending before various Hon'ble courts. However, LIC HFL having 99.99% voting share has not approved the said resolution.



VII. In this backdrop, it is to be stated that valuable assets of the Corporate Debtor are yet to be sold and LIC HFL having initiated steps under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) has also failed to sell even a single asset so far.

VIII. Needless to say that unless the Liquidator is able to sell these assets, recovery of huge public money will not be possible. As already stated, leading Member of the Stakeholders' Consultation Committee, namely, LIC HFL is neither able to sell the assets nor is cooperating with the Liquidator in completing the process of liquidation.

IX. In our considered view, by passing Resolution dated 04.10.2024, the Stakeholders' Consultation Committee comprising of only two members, with LIC HFL having 99.99% voting, resolving not to seek extension, is nothing but an indirect attempt to oust the liquidator and thus stop the Liquidation process, which it cannot directly do. Here, we usefully quote



the ruling the Hon’ble NCLAT in Punjab National Bank v. Kiran Shah, Liquidator of ORG Informatics Limited, 2020 SCC Online NCLAT 155, wherein it was held that, *application for removal of Liquidator cannot be moved in the absence of any provision under the law*. Moreover, the role of the Stakeholders’ Consultation Committee unlike Committee of Creditors is only advisory.

X. Considering the peculiar facts and circumstances of the case, we are of the view that the liquidation period be extended till 31.03.2025, enabling the Liquidator to take effective steps for sale of assets of the Corporate Debtor in the interest of creditors.

The following directions are therefore, issued:

- (i) The Resolution as passed by Stakeholders’ Consultation Committee (SCC) on 25.06.2024, resolving “not to extend liquidation period” is not approved and liquidation period is extended till 31.03.2025.



(ii) The Liquidator and Stakeholders' Consultation Committee (SCC) are directed to complete the liquidation process within the extended period.

The petition is accordingly disposed of.

SD/-
CHARAN SINGH
MEMBER (TECHNICAL)

SD/-
DR.VENKATA RAMAKRISHNA BADARINATH NANDULA
MEMBER (JUDICIAL)

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