

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,

HYDERABAD BENCH - II

I.A. No. Of 2023

In

CP (IB) No 252/9/HDB/2021

In the matter of **Saibhaskar Irons Ltd**

Between:

Dr Kondapalli Venkat Srinivas
Resolution Professional,
Sai Bhaskar Irons Ltd

.. **Applicant.**

Vs

1. Mr. M. Chaitanya,
2. Mr. Ratnagiri Babu Madala
(Members of suspended Board of Directors of
Saibhaskar Irons Limited)

... **Respondents**

**APPLICATION UNDER SEC 43 OF INSOLVENCY AND
BANKRUPTCY CODE 2016, R/w Rule 11 of NCLT Rules, 2016**

Filed on .12.2023

Filed by:

Dr K.V. Srinivas

Resolution Professional
M/s. Saibhaskar Irons Ltd

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2. Mr. Ratnagiri Babu Madala

(Members of suspended Board of Directors of
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Date: .12.2023

Place: Hyderabad

Applicant

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HYDERABAD BENCH - II

I.A. No. Of 2023

In

CP (IB) No 252/9/HDB/2021

In the matter of **Saibhaskar Irons Ltd**

Between:

Dr Kondapalli Venkat Srinivas
Resolution Professional,
Saibhaskar Irons Ltd
 6-3-249/6, 4th Floor, 402,
 “Alcazar Plaza & Towers”, Road No. 12,
 Banjara Hills, Hyderabad - 500 034

.. **Applicant.**

Vs

1. Mr. M. Chaitanya,
 D.No.3-1-3 and 3A, 3rd Line, Rajendra Nagar,
 Guntur Andhra Pradesh - 522006
md.sbirons@gmail.com

2. Mr. RATNAGIRI BABUMADALA
 D.No.3-1-3 and 3A, 3rd Line,
 Rajendra Nagar, Guntur
 Andhra Pradesh – 522006

... **Respondents**

**APPLICATION UNDER SEC 43 OF INSOLVENCY AND
 BANKRUPTCY CODE 2016, and Rule 11 of NCLT Rules, 2016**

I. DETAILS OF APPLICATION:

The applicant herein is the Resolution Professional of the Corporate Debtor appointed by this Hon'ble Tribunal vide its Order dated 19.06.2023. The instant application is filed U/s 43 of I & B Code, 2016 seeking appropriate relief in accordance with the provisions of Section

44 of the same. The Address for all communications to the Applicant is as mentioned in the cause title and email: **cirp.sbil@gmail.com**

II. DETAILS OF THE RESPONDENTS:

Respondents are the member of the suspended board of directors of the Corporate Debtor who, along with other directors are responsible for the management of the Corporate Debtor. The address for all communications to the respondents is as mentioned in the cause title.

III. JURISDICTION OF THE BENCH: -

The Applicant declares that the subject matter of the application is within the Jurisdiction of this Hon'ble Bench.

IV. LIMITATION, IF APPLICABLE

Not Applicable

V. FACTS OF THE CASE ARE GIVEN BELOW:

- 1) An Application was filed by M/s Steel Exchange India Limited u/s 9 of IBC, 2016 on 02.09.2021 and after prolonged hearing and submissions of both the parties, this Hon'ble Tribunal vide Order Dated 24.04.23 ordered for commencement of CIRP in the matter of M/s Sai Bhaskar Irons Limited., appointing the applicant as Interim Resolution Professional (IRP) and directing him to take necessary actions in accordance with the provisions of IBBI. The said order was communicated to the Applicant vide an email dated 03.05.2023 by the registry.

- 2) It is further humbly submitted that the, the COC in its first meeting has appointed IRP as RP and the same has been approved by this Hon'ble vide its Order dated 19-06-2023.
- 3) It is further humbly submitted that the respondents being promoters and directors of the Corporate Debtor, they are a related party as defined u/s 5(24) of IBC, 2016. The date of initiation of CIRP being 24.04.2023, the look back period for preferential transactions u/s 43(4)(a) is 2 years prior to the commencement of CIRP i.e., 24.04.2023 to 23.04.2021. A copy of the list of directors of the Corporate Debtor downloaded from the MCA Website is enclosed as

Annexure – 1;

- 4) It is further humbly submitted that, the respondents have been very selective in extending their cooperation to the applicant in discharging his duties in accordance with the provisions of the code and rules and regulations applicable thereunder, resulting into delay in filing of applications reporting existence of transactions attracting the provisions of Section 43, 45, and 66 of IBC, 2016. Further, the applicant had, vide IA No. 1089 of 2023 filed U/s 19 of IBC, 2016, sought indulgence of this Hon'ble Tribunal for appropriate directions to the directors of the Corporate Debtor and the same is pending adjudication.
- 5) It is further humbly submitted that, while going through the books of accounts made available to the applicant, it was observed that, the respondent No. 2 had, during the look back period, withdrawn huge

amounts that attract the provisions of Section 43 of IBC, 2016 and that too just before the Order of admission and commencement of CIRP.

The details of the amounts withdrawn by Respondent No. 2 during the look back period before commencement of CIRP and after commencement of CIRP are as under:

Amounts withdrawn before commencement of CIRP:

Date	VNo	Particulars	Amount (Rs)
20-04-2023	BP-24	The Karur Vysya Bank Ltd	5,00,000
11-04-2023	BP-22	The Karur Vysya Bank Ltd	1,00,000
11-04-2023	BP-19	The Karur Vysya Bank Ltd	9,00,000
06-04-2023	BP-17	The Karur Vysya Bank Ltd	30,00,000
06-03-2023	BP-14	The Karur Vysya Bank Ltd	12,00,000
17-11-2021	BP-86	The Karur Vysya Bank Ltd	30,00,000
30-10-2021	BP-80	The Karur Vysya Bank Ltd	30,00,000
16-09-2021	BP-76	The Karur Vysya Bank Ltd	10,00,000
21-08-2021	BP-67	The Karur Vysya Bank Ltd	12,00,000
19-08-2021	BP-65	The Karur Vysya Bank Ltd	5,00,000
19-08-2021	BP-64	The Karur Vysya Bank Ltd	20,00,000
13-08-2021	BP-61	The Karur Vysya Bank Ltd	5,00,000
09-08-2021	BP-59	The Karur Vysya Bank Ltd	5,00,000
30-07-2021	BP-50	The Karur Vysya Bank Ltd	9,00,000
29-07-2021	BP-47	The Karur Vysya Bank Ltd	10,00,000
15-07-2021	BP-41	The Karur Vysya Bank Ltd	5,00,000
13-07-2021	BP-37	The Karur Vysya Bank Ltd	5,00,000
13-07-2021	BP-35	The Karur Vysya Bank Ltd	10,00,000
14-06-2021	BP-31	The Karur Vysya Bank Ltd	20,00,000
Total			2,33,00,000

Amounts withdrawn after commencement of CIRP:

Date	Particulars	Amount (Rs)
25-04-2023	The Karur Vysya Bank Ltd	15,00,000
25-04-2023	The Karur Vysya Bank Ltd	25,00,000
26-04-2023	The Karur Vysya Bank Ltd	30,00,000
28-04-2023	The Karur Vysya Bank Ltd	33,10,000
	Total	1,03,10,000

- 6) The cumulative total of the amounts so transferred is Rs. **3,36,10,000/- (Rupees Three Crore Thirty-Six Lakhs Ten Thousand Only)**

Further, on 17.12.2022, the respondent made a payment of Rs. 20,00,000/- to M/s Lotus Trading Company via Karur Vysya Bank. There is no reason or purpose for which the said amounts were transferred. The respondents failed to provide any plausible explanation for the said transfer.

A copy of the bank statement of the Corporate Debtor reflecting the transfer of the amounts to the respondent is enclosed as

Annexure - 2

- 7) The applicant had taken the assistance of experienced chartered accounts to conduct Transaction Audit of the corporate debtor and to identify the transactions attracting the provisions of Section 43 of IBC, 2016 during the lookback period. The Transaction Auditors had, vide their report dated 09-12-2023, determined the transactions identified by the resolution professional as the transactions attracting the

provisions of Section 43 of IBC, 2016. The complete details of the transactions undertaken by the respondent attracting the provisions of Section 43 of IBC, 2016, identified and determined by the applicant with the assistance of the experienced professional chartered account firm is specified at page No.19 to 21 of the said report. A copy of the transaction audit report is enclosed as

Annexure – 3.

- 8) It is humbly submitted that, the Applicant herein sought explanation for undertaking the identified transaction by the respondent. In response to the same, the respondent stated that the said transactions were done by him to service the loans taken by him and used for company purposes.
- 9) It is submitted that the aforementioned reasons provided by the Respondent are contradictory / bereft of logic and do not satisfy the Applicant herein as to the why the loans were not taken by the corporate debtor and why the same were taken by the respondent and used for company purpose.
- 10) It is further humbly submitted that, the respondents own and possess Ac 19 : 48 Gts of land registered in their name which was given on lease to the Corporate Debtor on which the land and buildings and plant & machinery of the Corporate Debtor was built / stationed. The same is liable to be utilized for discharging the liability of the respondent in following the directions of this Hon'ble Tribunal passed U/s 44 of IBC, 2016. Details of the said property is enclosed as

Annexure – 4;

- 11) Relevant provision on preferential transactions, relevant period for the same, the reliefs to be granted by this Hon'ble Tribunal upon recording its satisfaction are enclosed as **Annexure – 5;**
- 12) It is humbly submitted that from the above facts and circumstances and the details of the transactions identified by the applicant, it is clear that, the corporate debtor had been subjected to transactions attracting the provisions of Section 43 of IBC, 2016, during the look back period. It is therefore prayed that, if satisfied, this Hon'ble Tribunal may be pleased to pass orders u/s 44 of IBC, 2016.

RELIEF SOUGHT: -

I. In the above circumstances, the applicant humbly prays that this Hon'ble Adjudicating Authority may be pleased to:

- a) **Allow the instant application.**
- b) **Order the respondent No. 2 to forthwith return an amount of Rs. 3,56,10,000/- (Rupees Three Crore Fifty Six Lakhs Ten Thousand Only) withdrawn by him from the account of the Corporate Debtor to his personal account thereby attracting the provisions of Section 43 of IBC, 2016 together with interest @ 18% p.a. till repayment in accordance with the provisions of Section 44 of IBC, 2016;**
- c) **Any other order or orders this Hon'ble Tribunal may deem fit and proper in the interest of justice.**

INTERIM RELIEF:

Pending disposal of this application, a status quo order may be granted on the property mentioned in Annexure 4 owned and possessed by the respondents, to secure implementation of the directions of this Hon'ble Tribunal U/s 44 of IBC, 2016.

DECLARATION BY APPLICANT

The Applicant above named hereby solemnly declare that nothing material has been concealed or suppressed and further declare that the enclosures and typed set of material papers relied upon and filed herewith are true copies of the originals/fair reproduction of the originals / true translation thereof.

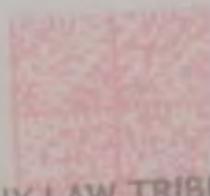
Dated at Hyderabad on this the th Day of December, 2023

APPLICANT

Leddy

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,

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In

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In the matter of Saibhaskar Irons Ltd

Between:

Dr Kondapalli Venkat Srinivas
RP, Saibhaskar Irons Ltd

Applicant.

Vs

Mr. RATNAGIRI BABU MADALA & Ors

Respondents

GENERAL VERIFICATION AFFIDAVIT VERIFYING PETITION

I, Dr. K.V. Srinivas, S/o Late K. Raghavendra Rao, aged about 52 years Occ: Liquidator do hereby solemnly affirm and state on oath as follows:

1. I am the Deponent herein and Resolution Professional in the above-mentioned matter and filed this Application and this affidavit.
2. The statements made in the Application filed in the Paras of the Application herein now shown to me and are true to my knowledge and information, and I believe them to be true.

Sworn and Signed before me on this the Day of December, 2023

DEPONENT

VERIFICATION

I, Dr. K.V. Srinivas, solemnly affirm on this 13 Day of December, 2023, that the above statements are made by me.

Signature Before
DEPONENT Notary/Advocate



ATTESTED

Smt. I. PADMAJA, L.L.M.
ADVOCATE & NOTARY
H.No. 1-3-49/171/1, P.No. 19
Janaki Nagar, Old Alwal, Sec'bad-10
My Commission Expires on 26/12/2026

Ministry Of Corporate Affairs

Date : 12-12-2023 12:11:11 pm

Company Information

CIN	U27100TG2007PLC056809
Company Name	SAIBHASKAR IRONS LIMITED
ROC Name	ROC Hyderabad
Registration Number	056809
Date of Incorporation	20/12/2007
Email Id	psureesh2002@gmail.com
Registered Address	P.No.73, Lane No.5, Road No.72, Prashasan Nagar, Near Andhra Bank, Jubilee Hills, Hyderabad, Hyderabad, Telangana, India, 500086
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Non-Compliant
Authorised Capital (Rs)	37,00,00,000
Paid up Capital (Rs)	35,78,73,700
Date of last AGM	30/11/2021
Date of Balance Sheet	31/03/2021
Company Status	Under CIRP

Jurisdiction

ROC (name and office)	ROC Hyderabad
RD (name and Region)	RD, South East Region

Interim Resolution Professional (IRP)

**Name of IRP/
RP/ Liquidator** -

**Address of IRP/
RP/ Liquidator** -

Index of Charges

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address	Whether charge registered by other entity	Asset Holder Name
1	T16559577	10564186	State Bank of India	07/04/2015	-	22/04/2021	60,60,00,000	Industrial Estate Branch, Amaravathi Road, Guntur, Andhra Pradesh, India, 522002	No	-
2	T16559064	10175691	State Bank of India	24/08/2009	03/11/2014	22/04/2021	60,50,00,000	Industrial Estate Branch, Amaravathi Road, Guntur, Andhra Pradesh, India, 522002	No	-

Director/Signatory Details

Sr. No	DIN/PAN	Name	Designation	Date of Appointment	Cessation Date	Signatory
1	01690676	RATNAGIRI BABU MADALA	Director	20/12/2007	-	Yes
2	01742431	CHAITANYA MADALA	Managing Director	20/12/2007	-	Yes
3	00077044	SAKUNTALA MADALA	Director	01/11/2011	01/11/2023	Yes

TXN DT	VALUE DT	BPN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
05/04/21	05/04/21	4856	LLA ENTERPRISES-SAI BHASKAR IRON LIMITED-CIUBR5202 1040500307832 NEFT DR-N095210085548798- MADALA CHAITANYA-ICIC0006 307-GUJJANAGUNDL	000000000108	3,20,000.00		42,22,904.5
05/04/21	05/04/21	4856	NEFT CHARGES		29.21		42,22,875.3
16/04/21	16/04/21	4856	RTGS DR-SBIN0011093-N V D URGA RAO-GUJJANAGUNDL-KVB LR52021041683057788	000000000109	26,00,000.00		16,22,875.3
16/04/21	16/04/21	4856	RTGS BRANCH CHARGES		58.41		16,22,816.9
16/04/21	16/04/21	4856	RTGS DR-HDFC0000189-MADAL A CHAITANYA-GUJJANAGUNDL- KVBLR52021041683052350	000000000110	15,00,000.00		1,22,816.9
16/04/21	16/04/21	4856	RTGS BRANCH CHARGES		58.41		1,22,758.5
19/04/21	19/04/21	4856	NEFT DR-N109210086837622- MADALA CHAITANYA-ICIC0006 307-GUJJANAGUNDL	000000000111	1,10,000.00		12,758.5
19/04/21	19/04/21	4856	NEFT CHARGES		17.41		12,741.1
20/04/21	20/04/21	4856	NEFT DR-N110210086965314- J B ROLLING MILLS LTD-SBI N0004590-GUJJANAGUNDL	000000000112	1,02,701.00		-89,959.8
20/04/21	20/04/21	4856	NEFT CHARGES		17.41		-89,731.3
21/04/21	21/04/21	4856	Charges for SoA OTC reques t on-20042021		22.70		-90,000.0
30/04/21	30/04/21	4856	Debit Interest Capitalize d		231.00		-90,231.0
05/05/21	05/05/21	4856	CASH DEP GUJJANAGUNDL	000000000000		500.00	-89,731.0

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-APR-2021
Period To: 15-JUL-2021
Account Number 4856281000000056

GUNTUR 522006

NOMINEE : -

TXN DT	VALUE DT	BPN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
06/05/21	06/05/21	4856	FOLIO CHARGES Due:30/04/2021		20.06		-89,751.0
06/05/21	06/05/21	4856	Charges for SoA OTC reques t on-20042021		42.20		-89,793.2
06/05/21	06/05/21	4856	Charges for SoA OTC reques t on-05052021		34.22		-89,827.4
31/05/21	31/05/21	4856	FOLIO CHARGES		17.70		-89,845.1
31/05/21	31/05/21	4856	Debit Interest Capitalize d		649.00		-90,494.1
02/06/21	02/06/21	4856	CASH DEP GUJJANAGUNDL	000000000000		500.00	-89,994.1
04/06/21	04/06/21	9999	103347244685175-SUPREME S TEELS-4108280000000631			20,00,000.00	19,10,005.8
14/06/21	14/06/21	4856	CASH DEP GUJJANAGUNDL	000000000000		500.00	19,10,505.8
14/06/21	14/06/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL- KVBLR52021061487991933	000000000113	20,00,000.00		-89,494.1
14/06/21	14/06/21	4856	RTGS BRANCH CHARGES		58.41		-89,552.5
30/06/21	30/06/21	4856	FOLIO CHARGES		17.70		-89,570.2
30/06/21	30/06/21	4856	Debit Interest Capitalize d		418.00		-89,988.2
13/07/21	13/07/21	9999	104504266329749-SUPREME S TEELS-4108280000000631			75,00,000.00	74,10,011.7
13/07/21	13/07/21	4856	RTGS DR-HDFC0000189-MADAL A CHAITANYA-GUJJANAGUNDL- KVBLR52021071389392175	000000000114	10,00,000.00		64,10,011.7
13/07/21	13/07/21	4856	RTGS BRANCH CHARGES		58.41		64,09,953.3
13/07/21	13/07/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL-	000000000115	5,00,000.00		59,09,953.3

13/07/21	13/07/21	4856	KVBLR52021071389392160				
14/07/21	14/07/21	4856	RTGS BRANCH CHARGES		28.91		59,09,924.39
			RTGS DR-UTIB0000475-NAGOO 000000000116		9,00,000.00		50,09,924.39
			R TRADERS-GUJJANAGUNDL-KV				
			BLR52021071489435230				
14/07/21	14/07/21	4856	RTGS BRANCH CHARGES		58.41		50,09,865.98

page : 3

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-APR-2021
Period To: 15-JUL-2021
Account Number 4856281000000056

GUNTUR 522006

NOMINEE : -

TAN DT	VALUE DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
07/21	15/07/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL	000000000118	5,00,000.00		45,09,865.98
			KVBLR52021071589478360				
13/07/21	15/07/21	4856	RTGS BRANCH CHARGES		28.91		45,09,837.07
15/07/21	15/07/21	4856	RTGS DR-UTIB0000475-NAGOO I ENTERPRISES-GUJJANAGUND	000000000117	45,00,000.00		9,837.07
			L-KVBLR52021071589478388				
15/07/21	15/07/21	4856	RTGS BRANCH CHARGES		58.41		9,778.66

Opening Balance	:	31,99,894.21	
Total Credit Amount	:	2,61,19,808.00	Credit Count : 9
Total Debit Amount	:	2,93,09,923.55	Debit Count : 44
Closing Balance	:	9,778.66	

Net Available Balance as of 15-JUL-2021 is : 9778.66

*****ACRONYMS DESCRIPTIONS*****

BRN -> Branch Code	CSW -> Cash Withdrawal	FTD -> Funds Transfer
To CLG -> Clearing Debit	By CLG -> Clearing Credit	SI -> Standing Instructions
TD -> Term Deposit	RD -> Recurring Deposit	LN -> Loan
IB -> Internet Banking	SC -> Service Charges	

Unless the constituent, notifies the bank immediately of any discrepancy found by him / her in this statement of account, it will be taken that he / she has found the account correct.

IFSC Code : KVBL0004856
MICR Code : 520053105
Helpline No. : 1860 200 1916
Branch Address : D.NO:B-62, SRINIVASA NAGAR COLONY, MAIN ROAD, GUJJANAGUNDLA, GUNTUR,
GUNTUR, Andhra Pradesh - 522006.
Phone : 0863 - 2255224

Regd. Office : Karur Vysya Bank, Central Office, Erode Road, Karur-639002 (Tamil Nadu)



THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

①

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 15-JUL-2021
Period To: 04-AUG-2021
Account Number 4856281000000056

GUNTUR 522006

TXN DT	VALUE DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
15/07/21	15/07/21		B/F...				50,09,865.98
15/07/21	15/07/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL- KVBLR52021071589478360	000000000118	5,00,000.00		45,09,865.98
15/07/21	15/07/21	4856	RTGS BRANCH CHARGES		28.91		45,09,837.07
15/07/21	15/07/21	4856	RTGS DR-UTIB0SGUB02-ROSHN I ENTERPRISES-GUJJANAGUND L-KVBLR52021071589478388	000000000117	45,00,000.00		9,837.07
15/07/21	15/07/21	4856	RTGS BRANCH CHARGES		58.41		9,778.66
17/07/21	17/07/21	4856	Charges for SoA OTC reque st on-16072021		62.54		9,716.12
17/07/21	28/07/21	9999	928757275786507-SUPREME S TEELS-4108280000000631			10,00,000.00	10,09,716.12
29/07/21	29/07/21	4856	RTGS BRANCH CHARGES		58.41		10,09,657.71
29/07/21	29/07/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL- KVBLR52021072991728601	000000000119	10,00,000.00		9,657.71
29/07/21	29/07/21	9999	579433276269848-SUPREME S TEELS-4108280000000631			12,00,000.00	12,09,657.71
29/07/21	29/07/21	4856	RTGS BRANCH CHARGES		58.41		12,09,599.30
29/07/21	29/07/21	4856	RTGS DR-SBIN0001195-CHAIT ANYA PULWOOD SUPPLIERS=G UJJANAGUNDL-KVBLR52021072 991739059	000000000120	10,00,000.00		2,09,599.30
30/07/21	30/07/21	9999	115134276900280-SUPREME S TEELS-4108280000000631			12,00,000.00	14,09,599.30
30/07/21	30/07/21	4856	RTGS DR-ICIC0006307-madal a chaitanya-GUJJANAGUNDL- KVBLR52021073091762512	000000000122	9,00,000.00		5,09,599.30
30/07/21	30/07/21	4856	RTGS BRANCH CHARGES		58.41		5,09,540.89
30/07/21	30/07/21	4856	RTGS BRANCH CHARGES		28.91		5,09,511.98
30/07/21	30/07/21	4856	RTGS DR-SBIN0001195-chait anya pulpwood suppliers-G UJJANAGUNDL-KVBLR52021073 091762492	000000000121	5,00,000.00		9,511.98

page : 1

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT



Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 15-JUL-2021
Period To: 04-AUG-2021
Account Number 4856281000000056

GUNTUR 522006

TXN DT	VALUE DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
31/07/21	31/07/21	4856	FOLIO CHARGES		17.70		9,494.28
31/07/21	31/07/21	4856	Debit Interest Capitalize d		251.00		9,243.28
04/08/21	04/08/21	9999	178273279934903-SUPREME S TEELS-4108280000000631			10,00,000.00	10,09,243.28
04/08/21	04/08/21	9999	300175279937571-SUPREME S TEELS-4108280000000631-GS			1,80,000.00	11,89,243.28

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-AUG-2021
Period To: 31-AUG-2021
Account Number 4856281000000056

GUNTUR 522006

NOMINEE : -

TXN DT	VALUE_DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALAN
01/08/21	01/08/21		B/F...				9,243.2
04/08/21	04/08/21	9999	178273279934903-SUPREME S			10,00,000.00	10,09,243.2
			TEELS-1108280000000631				
04/08/21	04/08/21	9999	300175279937571-SUPREME S			1,80,000.00	11,89,243.2
			TEELS-4108280000000631-GS				
			T PAYMENT				
06/08/21	06/08/21	4856	Charges for SoA OTC requ		23.60		11,89,219.6
			st on-05082021				
08/08/21	08/08/21	9999	152847282756074-SUPREME S			10,00,000.00	21,89,219.6
			TEELS-4108280000000631				
08/08/21	08/08/21	9999	161829282756969-SUPREME S			1,19,016.00	23,08,235.68
			TEELS-4108280000000631				
09/08/21	09/08/21	4856	RTGS DR-SBIN0001195-CHAIT	000000000124	10,00,000.00		13,08,235.68
			ANYA PULPWOOD SUPPLIERS-G				
			UJJANAGUNDL-KVBLR52021080				
			992687774				
09/08/21	09/08/21	4856	RTGS BRANCH CHARGES		58.41		13,08,177.27
09/08/21	09/08/21	4856	RTGS DR-ICIC0006307-MADAL	000000000123	5,00,000.00		8,08,177.27
			A CHAITANYA-GUJJANAGUNDL-				
			KVBLR52021080992537883				
09/08/21	09/08/21	4856	RTGS BRANCH CHARGES		28.91		8,08,148.36
13/08/21	13/08/21	4856	RTGS DR-HDFC0000189-MADAL	000000000125	5,00,000.00		3,08,148.36
			A CHAITANYA-GUJJANAGUNDL-				
			KVBLR52021081392869498				
13/08/21	13/08/21	4856	RTGS BRANCH CHARGES		28.91		3,08,119.45
19/08/21	19/08/21	9999	134894289931959-SUPREME S			25,00,000.00	28,08,119.45
			TEELS-4108280000000631				
19/08/21	19/08/21	9999	195427289956301-SUPREME S			6,00,000.00	34,08,119.45
			TEELS-4108280000000631				
19/08/21	19/08/21	4856	RTGS BRANCH CHARGES		58.41		34,08,061.04
19/08/21	19/08/21	4856	RTGS DR-ICIC0006307-MADAL	000000000127	20,00,000.00		14,08,061.04
			A CHAITANYA-GUJJANAGUNDL-				
			KVBLR52021081993228625				
19/08/21	19/08/21	4856	RTGS DR-ICIC0006307-MADAL	000000000126	5,00,000.00		9,08,061.04
			A CHAITANYA-GUJJANAGUNDL-				
			KVBLR52021081993224367				

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THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-AUG-2021
Period To: 31-AUG-2021
Account Number 4856281000000056

GUNTUR 522006

NOMINEE : -

TXN DT	VALUE_DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
19/08/21	19/08/21	4856	RTGS BRANCH CHARGES		28.91		9,08,032.13
20/08/21	20/08/21	9999	129227290240842-SUPREME S			6,50,000.00	15,58,032.13
			TEELS-4108280000000631				
20/08/21	20/08/21	9999	501166290243023-SUPREME S			6,49,854.00	22,07,886.13



			TEELS-4108280000000631-GS T PAYMENT		
21/08/21	21/08/21	4856	RTGS DR-ICIC0006307-MADAL 000000000128 A CHAITANYA-GUJJANAGUNDL- KVBLR52021082193300792	12,00,000.00 ✓	10,07,886.1
21/08/21	21/08/21	4856	RTGS BRANCH CHARGES	58.41 ✓	10,07,827.7
25/08/21	25/08/21	9999	140294293098327-SUPREME S TEELS-4108280000000631-GS T PAYMENT		4,00,807.00 Tax 14,08,634.7
28/08/21	28/08/21	9999	167687295101545-SUPREME S TEELS-4108280000000631	10,00,000.00 ✓	24,08,634.7
31/08/21	31/08/21	4856	FOLIO CHARGES	20.06 ✓	24,08,614.6

Opening Balance : 9,243.28 ✓
 Total Credit Amount : 80,99,677.00 Credit Count :10
 Total Debit Amount : 57,00,305.62 ✓ Debit Count :14
 Closing Balance : 24,08,614.66 ✓

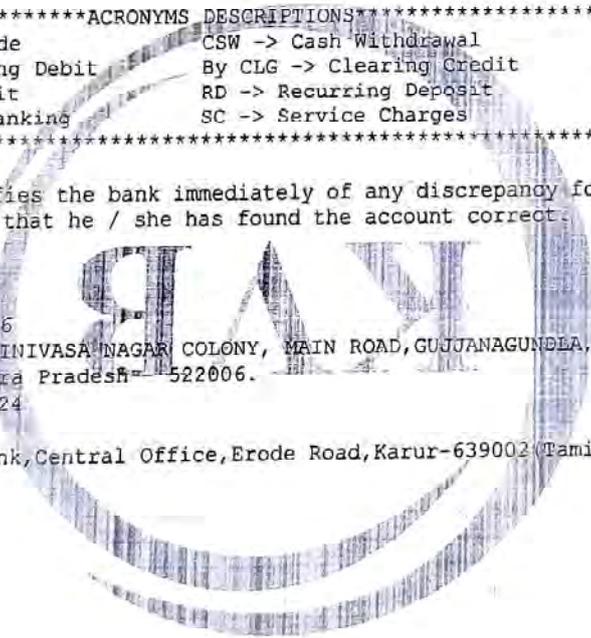
Net Available Balance as of 01-SEP-2021 is : 2408614.66

*****ACRONYMS DESCRIPTIONS*****		
BRN -> Branch Code	CSW -> Cash Withdrawal	FTD -> Funds Transfer ✓
To CLG -> Clearing Debit	By CLG -> Clearing Credit	SI -> Standing Instructions
TD -> Term Deposit	RD -> Recurring Deposit	LN -> Loan
IB -> Internet Banking	SC -> Service Charges	

Unless the constituent, notifies the bank immediately of any discrepancy found by him / her in this statement of account, it will be taken that he / she has found the account correct.

IFSC Code : KVBL0004856
 MICR Code : 520053105
 Helpline No. : 1860 200 1918
 Branch Address : D.NO:B-62, SRINIVASA NAGAR COLONY, MAIN ROAD, GUJJANAGUNDLA, GUNTUR,
 GUNTUR, Andhra Pradesh - 522006.
 Phone : 0863 - 2255224

Regd. Office : Karur Vysya Bank, Central Office, Erode Road, Karur-639002 (Tamil Nadu) www.kvb.co.in



THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

10

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR
GUNTUR 522006

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-SEP-2021
Period To: 05-OCT-2021
Account Number 4856281000000056

TRX DT	VALUE DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
01/09/21	01/09/21		B/F...				
03/09/21	03/09/21	4856	Charges for SoA OTC requ st on-02092021		28.32		24,08,614.66
09/09/21	09/09/21	9999	130124302934143-SUPREME S TEELS-4108280000000631-GS T PAYMENT			3,74,420.00	24,08,586.34
14/09/21	14/09/21	4856	RTGS DR-SBIN0011093-N V D 000000000129 URGA RAO-GUJJANAGUNDL-KVB LR52021091494734876		16,18,500.00		27,83,006.34
14/09/21	14/09/21	4856	RTGS BRANCH CHARGES		58.41		11,64,506.34
16/09/21	16/09/21	9999	157147306990136-SUPREME S TEELS-4108280000000631			15,00,000.00	11,64,447.93
16/09/21	16/09/21	4856	RTGS BRANCH CHARGES		58.41		26,64,447.93
16/09/21	16/09/21	4856	RTGS DR-SBIN0011093-N V D 000000000130 URGA RAO-GUJJANAGUNDL-KVB LR52021091694856037		16,15,000.00		26,64,389.52
16/09/21	16/09/21	4856	RTGS BRANCH CHARGES		58.41		10,49,389.52
16/09/21	16/09/21	4856	RTGS DR-ICIC0006307-MADAL 000000000131 A CHAITANYA-GUJJANAGUNDL- KVB LR52021091694856065		10,00,000.00		10,49,331.11
16/09/21	16/09/21	4856	RTGS BRANCH CHARGES		58.41		49,331.11
30/09/21	30/09/21	4856	FOLIO CHARGES		17.70		49,313.41

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THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR
GUNTUR 522006

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-SEP-2021
Period To: 05-OCT-2021
Account Number 4856281000000056

Opening Balance	:	24,08,614.66	
Total Credit Amount	:	18,74,420.00	Credit Count : 2
Total Debit Amount	:	42,33,721.25	Debit Count : 8
Closing Balance	:	49,313.41	

Net Available Balance as of 05-OCT-2021 is : 49313.41

*****ACRONYMS DESCRIPTIONS*****		
BRN -> Branch Code	CSW -> Cash Withdrawal	FTD -> Funds Transfer
To CLG -> Clearing Debit	By CLG -> Clearing Credit	SI -> Standing Instructions
TD -> Term Deposit	RD -> Recurring Deposit	LN -> Loan
IB -> Internet Banking	SC -> Service Charges	

Unless the constituent, notifies the bank immediately of any discrepancy found by him / her in this statement of account, it will be taken that he / she has found the account correct.

IFSC Code : KVL0004856
MICR Code : 520053105
Helpline No. : 1860 200 1916
Branch Address : D.NO:B-62,SRINIVASA NAGAR COLONY, MAIN ROAD,GUJJANAGUNDLA, GUNTUR,
GUNTUR, Andhra Pradesh - 522006.
Phone : 0863 - 2255224



Regd. Office : Karur Vysya Bank, Central Office, Erode Road, Karur-639002 (Tamil Nadu) www.kvb.co.in

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-OCT-2021
Period To: 07-NOV-2021
Account Number 4856281000000056

GUNTUR 522006

NOMINEE : -

TXN DT	VALUE DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
01/10/21	01/10/21		B/F...				49,313.41
20/10/21	20/10/21	9999	113230327937009-SUPREME S TEELS-410828000000631-Se ptember gst			1,09,152.00✓	1,58,465.41
20/10/21	20/10/21	4856	NEFT DR-N293210116506933- N V DURGARAO-SBIN0011093- GUJJANAGUNDL	000000000132	1,09,152.00✓		49,313.41
20/10/21	20/10/21	4856	NEFT CHARGES		17.41✓		49,296.00
30/10/21	30/10/21	9999	122062334412259-SUPREME S TEELS-410828000000631			30,00,000.00✓	30,49,296.00
30/10/21	30/10/21	4856	RTGS DR-ICIC0006307-MADAL A CHAITANYA-GUJJANAGUNDL- KVELR52021103099578586	000000000133	30,00,000.00✓		49,296.00
30/10/21	30/10/21	4856	RTGS BRANCH CHARGES		58.41✓		49,237.59
31/10/21	31/10/21	4856	FOLIO CHARGES		17.70✓		49,219.89

Opening Balance : 49,313.41✓
Total Credit Amount : 31,09,152.00
Total Debit Amount : 31,09,245.52
Closing Balance : 49,219.89✓

Credit Count : 2
Debit Count : 5

Net Available Balance as of 07-NOV-2021 is : 49219.89

*****ACRONYMS DESCRIPTIONS*****		
BRN -> Branch Code	CSW -> Cash Withdrawal	FTD -> Funds Transfer
To CLG -> Clearing Debit	By CLG -> Clearing Credit	SI -> Standing Instructions
TD -> Term Deposit	RD -> Recurring Deposit	LN -> Loan
IB -> Internet Banking	SC -> Service Charges	

Unless the constituent, notifies the bank immediately of any discrepancy found by him / her in this statement of account, it will be taken that he / she has found the account correct.

IFS Code : KVEL0004856
MICR Code : 520053105
Helpline No. : 1860 200 1916
Branch Address : D.NO:B-62,SRINIVASA NAGAR COLONY, MAIN ROAD, GUJJANAGUNDLA, GUNTUR,
GUNTUR, Andhra Pradesh - 522006.
Phone : 0863 - 2255224



Regd. Office : Karur Vysya Bank, Central Office, Erode Road, Karur-639002 (Tamil Nadu) www.kvb.co.in

Account Statement



Messrs SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR
GUNTUR
ANDHRA PRADESH
522006

Acc.No. : 4856281000000056
Customer ID: 22334409
Acc.Type : SOD - RESIDENT DEPOSITS
St.Date : 08/12/2021
St.Period : 01/11/2021 to 08/12/2021
Mobile No. : 919299991231
Email Id : md.sbirons@gmail.com

Account Summary

Opening Balance	Total Credit Amount	Total Debit Amount	Closing Balance	Limit	Count of Cr. & Dr. Transactions
49,219.89	75,89,468.00	43,50,904.32	32,87,783.57	90,000.00	CR:4/DR:6

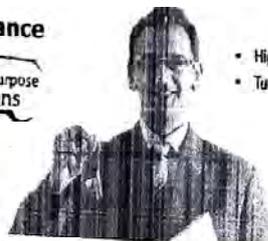
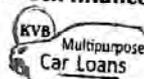
Statement of A/c 4856281000000056 for the period 01/11/2021 to 08/12/2021

Txn Date	Value Date	Brn Code	Particulars	Ref. No	Debit	Credit	Balance
01/11/2021	01/11/2021		B/F...				49,219.89
08/11/2021	08/11/2021	9999	255901339443008-SUPREME STEELS-410828000			13,50,758.00	13,99,977.89
09/11/2021	09/11/2021	4856	Charges for SoA OTC request on-08112021		11.80		13,99,966.09
09/11/2021	09/11/2021	4856	RTGS DR-5BIN0011093-N V DURGA RAO-GUJJAN	000134	13,50,758.00		49,208.09
09/11/2021	09/11/2021	4856	RTGS BRANCH CHARGES		58.41		49,149.68
10/11/2021	10/11/2021	9999	294291341003686-SUPREME STEELS-410828000			30,00,000.00	30,49,149.68
17/11/2021	17/11/2021	4856	RTGS DR-ICIC0006307-MADALA CHAITANYA-GUJ	000135	30,00,000.00		49,149.68
17/11/2021	17/11/2021	4856	RTGS BRANCH CHARGES		58.41		49,091.27
30/11/2021	30/11/2021	9999	132863352582059-SUPREME STEELS-410828000			24,00,000.00	24,49,091.27
30/11/2021	30/11/2021	4856	FOLIO CHARGES		17.70		24,49,073.57
04/12/2021	04/12/2021	9999	808127355455828-SUPREME STEELS-410828000			8,38,710.00	32,87,783.57
TOTAL					43,50,904.32	75,89,468.00	

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Karur Vysya Bank, Central Office, Erode Road, Karur-639002 (Tamilnadu) www.kvb.co.in

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

GUNTUR 522006

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-APR-2022
Period To: 24-APR-2023
Account Number 4856281000000056

TXN DT	VALUE_DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
01/04/22	01/04/22		B/F...				48,907.16
13/07/22	13/07/22	4856	Charges for SoA OTC request on-12072022		11.80		48,895.36
31/07/22	31/07/22	4856	FOLIO CHARGES		17.70		48,877.66
29/11/22	29/11/22	4856	FT - CR - 485615500001681 00000000114 1 - M CHAITANYA - KVB			90,00,000.00	90,48,877.66
29/11/22	29/11/22	4856	RTGS BRANCH CHARGES		58.41		90,48,819.25
29/11/22	29/11/22	4856	RTGS DR-ICIC0000278-ANUSHRI TRADERS-GUJJANAGUNDL-KVBLR52022112989206725	00000000137	90,00,000.00		48,819.25
30/11/22	30/11/22	4856	FOLIO CHARGES		17.70		48,801.55
17/12/22	17/12/22	2101	RTGS CR-ICIC0000123-MADAL A CHAITANYA-SAI BHASKAR IRONS LIMITED-ICICR52022121700236655			50,00,000.00	50,48,801.55
17/12/22	17/12/22	4856	RTGS DR-INDB0000046-LOTUS TRADING COMPANY-GUJJANAGUNDL-KVBLR52022121790173867	00000000139	20,00,000.00		30,48,801.55
17/12/22	17/12/22	4856	RTGS BRANCH CHARGES		58.41		30,48,743.14
17/12/22	17/12/22	4856	NEFT CHARGES		29.21		30,48,713.93
17/12/22	17/12/22	4856	NEFT DR-N351220173898106-ANUSHRI TRADERS-ICIC0000278-GUJJANAGUNDL	00000000138	30,00,000.00		48,713.93
31/12/22	31/12/22	4856	FOLIO CHARGES		17.70		48,696.23
12/01/23	12/01/23	4856	Charges for SoA OTC request on-11012023		11.80		48,684.43
31/01/23	31/01/23	4856	FOLIO CHARGES		17.70		48,666.73
10/02/23	10/02/23	2101	RTGS CR-UTIB0000267-SURESH S-SAI BHASKAR IRONS LTD -UTIBR52023021000353154			12,50,000.00	12,98,666.73
28/02/23	28/02/23	4856	FOLIO CHARGES		17.70		12,98,649.03
06/03/23	06/03/23	4856	FT - DR - 485615500001681 00000000140 1 - M CHAITANYA		12,00,000.00		98,649.03

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THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR

GUNTUR 522006

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-APR-2022
Period To: 24-APR-2023
Account Number 4856281000000056

TXN DT	VALUE_DT	BRN	DESCRIPTION	REFERENCE	DEBITS	CREDITS	BALANCE
31/03/23	31/03/23	4856	FOLIO CHARGES		17.70		98,631.33
05/04/23	05/04/23	4856	Charges for SoA OTC request on-04042023		21.24		98,610.09
05/04/23	05/04/23	2101	RTGS CR-UTIB0000267-SURESH S-SAI BHASKAR IRONS LTD -UTIBR52023040500367074			30,00,000.00	30,98,610.09
06/04/23	06/04/23	4856	FT - DR - 485615500001681 00000000141 1 - M CHAITANYA		30,00,000.00		98,610.09
10/04/23	10/04/23	1763	IMPS-310012965559-SURESHS -UTIB-xxxxxxxx2679-NA			100.00	98,710.09
10/04/23	10/04/23	2101	RTGS CR-UTIB0000267-SURESH S-SAI BHASKAR IRONS LTD			9,16,000.00	10,14,710.09

			-UTIBR52023041000365508			
11/04/23	11/04/23	4856	CHEQUE BOOK ISSUE CHARGE	177.00		10,14,533.09
11/04/23	11/04/23	4856	RTGS BRANCH CHARGES	58.41		10,14,474.68
11/04/23	11/04/23	4856	RTGS DR-ICIC0006307-MADAL 00000000142	9,00,000.00		1,14,474.68
			A CHAITANYA-GUJJANAGUNDL- KVBLR52023041194793336			
11/04/23	11/04/23	4856	NEFT DR-N101230185970852- 00000000143	1,00,000.00		14,474.68
			MADALA CHIATANYA-ICIC0006 307-GUJJANAGUNDL			
11/04/23	11/04/23	4856	NEFT CHARGES	5.61		14,469.07
19/04/23	19/04/23	4856	CHEQUE BOOK ISSUE CHARGE	177.00		14,292.07
19/04/23	19/04/23	2101	RTGS CR-UTIB0002556-GATTU PALLI RAMANJANEYULU-SAI B HASKAR IRONS LTD-UTIBR520 23041900359984		5,00,000.00	5,14,292.07
20/04/23	20/04/23	4856	RTGS DR-ICIC0006307-MADAL 00000000144	5,00,000.00		14,292.07
			A CHAITANYA-GUJJANAGUNDL- KVBLR52023042094951029			
20/04/23	20/04/23	4856	RTGS BRANCH CHARGES	28.91		14,263.16
24/04/23	24/04/23	2101	RTGS CR-UTIB0002556-GATTU PALLI RAMANJANEYULU-SAI B HASKAR IRONS LIMITED-UTIB R52023042400365202		15,00,000.00	15,14,263.16

page : 2

THE KARUR VYSYA BANK LTD.
BRANCH : GUNTUR - GUJJANAGUNDLA
STATEMENT OF ACCOUNT

Messrs. SAI BHASKAR IRONS LIMITED
4-4-135, 6/1 CHANDRAMOULINAGAR
GUNTUR
GUNTUR 522006

INDIAN RUPEES
SOD - RESIDENT DEPOSITS
Period from: 01-APR-2022
Period To: 24-APR-2023
Account Number 485628100000056

Opening Balance	:	48,907.16	
Total Credit Amount	:	2,11,66,100.00	Credit Count :8
Total Debit Amount	:	1,97,00,744.00	Debit Count :25
Closing Balance	:	15,14,263.16	

Net Available Balance as of 14-MAY-2023 is : 13611.1

*****ACRONYMS DESCRIPTIONS*****
 BRN -> Branch Code CSW -> Cash Withdrawal FTD -> Funds Transfer
 To CLG -> Clearing Debit By CLG -> Clearing Credit SI -> Standing Instructions
 TD -> Term Deposit RD -> Recurring Deposit LN -> Loan
 IB -> Internet Banking SC -> Service Charges

Unless the constituent, notifies the bank immediately of any discrepancy found by him / her in this statement of account, it will be taken that he / she has found the account correct.

IFSC Code : KVBL0004856
 MICR Code : 520053105
 Helpline No. : 1860 200 1916
 Branch Address : D.NO:B-62,SRINIVASA NAGAR COLONY, MAIN ROAD,GUJJANAGUNDLA, GUNTUR,
 GUNTUR, Andhra Pradesh - 522006.
 Phone : 0863 - 2255224

Regd. Office : Karur Vysya Bank,Central Office,Erode Road,Karur-639002(Tamil Nadu) www.kvb.co.in

**Transaction Audit Report
carried on behalf of
Dr. K. V. Srinivas
Resolution Professional
in the matter of
M/s Saibhaskar Irons Limited**

CIRP Commencement date – 24th April 2023

Conducted by

**M/s. Sarath & Associates
Chartered Accountants
4th Floor, Maas Heights,
8-2-577/B, Road No 8, Banjara Hills,
Hyderabad – 500034.
Email: ss@sarathcas.in**

INTRODUCTION

We, M/s Sarath & Associates, Chartered Accountants, have been appointed by Mr. K.V Srinivas ("Resolution Professional/RP"), to carry out the Transaction Audit of M/s Saibhaskar Irons Limited ("Corporate Debtor"), Hyderabad vide communication dated 23rd Aug, 2023.

Section 20 of the Insolvency & Bankruptcy Code, 2016 amongst others, gives authority to Resolution Professional to appoint Accountants, Legal or Other Professionals as may be necessary for discharging duties mandated u/s 25 of the said Code. Our appointment by Resolution Professional is given pursuant to above provisions, for carrying out the Transaction Audit as per the scope of work given

Scope of Transaction Audit as given:

Sl. No.	Areas to be covered
a)	Review of the loans and advances made to other entities including advances made to the related parties, for potential indications of diversion thereof, if any. Related parties could include vendors, directors, entities and Key personnel.
b)	Business operations of the Corporate Debtor for the period from April' 2015 to 24 th of April, 2023 (<i>previous 8 years from CIRP from commencement date</i>);
c)	Financial and Operational payments of the Corporate Debtor for the period from April' 2015 to 24 th of April, 2023 (<i>Previous 8 years from CIRP from commencement date</i>);
d)	To prepare and analyze cash flow statement for the period from April' 2015 to 24 th of April, 2023;
e)	Examination of the transactions of Corporate Debtor which may come under the ambit of sections 43, 45, 46, 49, 50 and 66 of the Insolvency and Bankruptcy Code, 2016 for the above period;



Executive Summary

- Our Methodology for carrying out the said Transaction Audit included
 - Verification of the books of accounts with corresponding supportings, to the extent available;
 - Review of Financial Statements provided to us (Data from 2017-18 annual report made available) and its analysis thereof;
 - Determination of Related Parties from the given data as well as public domain verification for cross checking purposes;
 - Bank Statements verification & cross checking with books of accounts
 - Ledger Scrutiny (Ledgers for the years 18-19, 19-20 and 1.4.22 to 24.4.23 is only provided, which were verified)
- During the check period, we have gone through the overall review of the financials trends at macro level and noted the Key features/observations which are highlighted and reported at appropriate places. We have also come across several apparent anomalies, as appearing from the prima facie review of the Financials
- Bank loans availed by Corporate Debtor had become NPA earlier. Subsequently, it was noted that company obtained several unsecured loans from directors/promoters and it was noted from the verification of books of accounts/vouchers/records that majority of these unsecured loans taken by the Company were utilised to repay the bank loans. The movement of these unsecured loans are captured in the report.
- We have come across instances of Preferential Transactions falling under Section 43 of the Insolvency & Bankruptcy Code 2016, details of which have been elaborately discussed in the detailed report.
- We have come across instances of Undervalued Transactions falling under Section 45 of the Insolvency & Bankruptcy Code 2016, involving sale of assets/properties at significantly lower price than the book value, details of which have been reported in the detail.
- We have come across instances of Fraudulent Transactions falling under Section 66 of the Insolvency & Bankruptcy Code 2016, which includes instances of unverifiable/ untraceable



Book Debts, instances of transfer of several assets of the Company at significant lower values etc., details of which have been reported in detail.

COMPANY OVERVIEW

M/s Saibhaskar Irons Limited (herein after referred as "Company' or "Corporate Debtor") is incorporated as a Private Limited Company on 20th December, 2007 and has been converted into limited company during 2010-11 having its registered office situated at Plot No. 73, Lane No. 5, Road no. 72, Prasashan Nagar, Jubilee Hills, Hyderabad – 500086.

Saibhaskar Irons Limited incorporated in the year 2007 has its primary focus on the manufacturing and trading of Billets and TMT Bars. The company has started its commercial operations from march 2010. The company has started production of TMT unit from the august 2012. And the Factory is located at Survy No:56, Nagarajupalli village, Martur Mandal in Bapatla District (Earlier Prakasam District), Andhra Pradesh.

COMPANY BASIC DETAILS (AS PER MCA SITE)

CIN	U27100TG2007PLC056809
Company Name	SAIBHASKAR IRONS LIMITED
ROC Code	ROC-Hyderabad
Registration Number	056809
Company Category	Company Limited by Shares
Company Sub Category	Non-Govt company
Class of Company	Public
Authorized Capital (Rs)	37,00,00,000
Paid up Capital (Rs)	35,78,73,700
Date of Incorporation	20/12/2007
Registered Address	Plot No. 73, Lane No. 5, Road no. 72, Prasashan Nagar, Jubilee Hills, Hyderabad, Telangana – 500086.



As per MCA Website, the company is currently managed by the following Board of Directors and Key Managerial Personnel

SI No	Name	Designation	Date of Appointment	Cessation Date	DIN
1	RATNAGIRI BABU MADALA	Director	20-12-2007		01690676
2	CHAITANYA MADALA	Managing Director	20-12-2007		01742431
3	SAKUNTALA MADALA	Director	01-11-2011	01-11-2023	00077044

Details of companies for which the directors of Saibhaskar Irons Ltd are holding the position of directors

Name	Company
RATNAGIRI BABU MADALA	MSR REALTORS PRIVATE LIMITED; (U70102AP2007PTC055795) SAIBHASKAR CONSTRUCTIONS AND DEVELOPERS PRIVATE LIMITED (U45209AP2007PTC056480)
CHAITANYA MADALA	SAIBHASKAR CONSTRUCTIONS AND DEVELOPERS PRIVATE LIMITED (U45209AP2007PTC056480)
SAKUNTALA MADALA	SAIBHASKAR CONSTRUCTIONS AND DEVELOPERS PRIVATE LIMITED (U45209AP2007PTC056480) YUVACHAITANYA HOUSING PRIVATE LIMITED (U45400AP2007PTC054969) MSR REALTORS PRIVATE LIMITED (U70102AP2007PTC055795) JANACHAITANYA CAPITAL PRIVATE LIMITED (U65910AP1996PTC025075) JANACHAITANYA HOUSING PRIVATE LIMITED (U70102AP1990PTC011073) SRUSTI INFRASTRUCTURES PRIVATE LIMITED (U45400AP2007PTC054970)



Details of CIRP initiated against the Company

NCLT had admitted the claim of M/s Steel Exchange India Limited in CP (IB) NO. 252/9/HDB/2021 and appointed Sri Dr K V Srinivas as the Interim Resolution Professional, who subsequently is the present Resolution Professional. Accordingly, CIRP of the Saibhaskar Irons Limited had commenced on 24th April, 2023.

DETAILS OF DOCUMENTS RECEIVED

Given below is the snapshot of information received.

Particulars
<ul style="list-style-type: none"> • Annual Reports for the Financial years 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and provisional financial statements as on 24.04.2023 • General ledger for 2018-19, 2019-20 and from 01.04.2022 to 24.04.2023 • Title deeds of land purchased at Nagarajupalli village, Martur Mandal, Bapatla District (earlier Prakasam District), Andhra Pradesh. • Copies of Sale Deed & Govt Encumbrance Certificate in respect of certain Assets disposed off • Invoices for FY 2011-12 to 2016-17 and 2020-21 & 2021-22 • Sanction letters of SBI, BOB & Indian Bank • OTS Sanction letters from SBI, BOB & MAXIMUS asset reconstruction company (assigned by Indian Bank on 21.03.2018) • No due certificate from SBI, BOB & MAXIMUS asset reconstruction company • KVB statement from 01.11.2020 to 04.09.2023 • BOB statement from 17.4.2015 to 21.6.2023 • Pending Cases against corporate debtor • Committee of creditors as on 2.8.2023 • List of creditors as on 2.8.2023 • Plant & Machinery for the last 4 years



Review of the loans and advances made to other entities**FOLLOWING IS THE POSITION/MOVEMENT OF LOANS & ADVANCES GIVEN AS PER THE ANNUAL FINANCIALS**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Advances given	46,32,779	46,26,718			20,00,000	

Our comments:

1. As per the Books of Accounts and corresponding vouchers with narrations stated against the transaction, it was noted that the Corporate Debtor has made a payment of Rs. 20,00,000 to one M/s Lotus trading company Chennai on 17.12.2022 from Karur Vysya Bank Ltd bearing cheque no - 000139. However there was no any opening balance which had to be payable Lotus trading company in the given ledger.
2. Advances appearing in FY 2018-19 and FY 2019-20 are not appearing subsequently, indicating that these are squared off/adjusted

Details of transactions with other Group Companies/Related Parties is as under:-**As per financials, following are the related parties**

Related party name	Nature of relationship
SAKUNTALA MADALA	Director
RATNAGIRI BABU MADALA	Director
CHAITANYA MADALA	Director

TABLE SHOWING YEAR WISE MOVEMENT OF TRANSACTIONS IN RELATED PARTY WITH REGARD TO LOANS

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Given by Company						
Taken by Company				41,87,22,930		



Based on the Financials, it was noted that interest free unsecured loans were taken from Directors Mrs. Sakuntala Madala, Mr. Ratnagiri Babu Madala and Mr. Chaitanya Madala and as noted from the books of accounts, these were used to pay loans earlier taken from SBI, BOB & Indian Bank Consortium where SBI is the Lead Banker under OTS scheme. The following are the balances towards loans from Directors on 31.3.2022 as per audited financial statements.

(Amount in Rs.)

1	Mr. Chaitanya Madala	37,03,60,333
2	Mrs. Sakuntala Madala	3,85,67,373
3	Mr. Ratnagiri Babu	97,95,224

BUSINESS OPERATIONS OF THE CORPORATE DEBTOR FOR THE PERIOD FROM APRIL' 2020 TO 24TH OF APRIL, 2023

(Amt in Rs.)

Particulars	2020-21	2021-22	1.4.22 to CIRP date
Revenue from Operations			
Revenue from sale of products	486305		
Revenue from sale of services			
Other income	47,99,410	15,05,397	6,461
Total revenue	52,85,715	15,05,397	6,461
Cost of materials consumed			
Changes in inventories	1,83,53,979	1,57,83,445	1,18,015
Employee benefit expense			
Finance costs	-	1,549	-
Depreciation expense	-	68,62,317	7,43,396
Expenditure pertaining to Production activities			
Other expenses	12,80,643	2,38,37,296	57,044
Total expenses	1,96,34,622	4,64,84,607	9,18,455
Profit before prior period, exceptional, extraordinary items and tax	-1,43,48,907	-4,49,79,210	-9,11,994
Exceptional items before tax			
Total profit before tax	-1,43,48,907	-4,49,79,210	-9,11,994
Current tax			
Deferred tax			
Total profit (loss) for period	-1,43,48,907	-4,49,79,210	-9,11,994



Our Comments:-

The above Audited Financials upto the Financial Year 2021-22 were available.
From 1st April, 2022 till the CIRP date, above details are provisional/unaudited as furnished.

It was noted that in *the independent auditor's report for the year 2021-22, the Statutory Auditor of the Company has given 'adverse opinion' on the Financials of the Company .*

Reportedly, the basis for adverse opinion states that "Andhra Pradesh Central Power Distribution Corporation Limited raised demand against the Company towards the payment of line charges and the company disputed the issue in the High Court of Andhra Pradesh and subsequently filed civil appeal SLP No. 12398 in Hon'ble Supreme Court of India.

Hon'ble Supreme Court of India dismissed the petition filed by the Company. Subsequently, APCPDCL issued Property Recovery notice against the company under the Revenue Recovery Act, 1864 for recovery of Rs. 9,64,91,223 Electricity Dues plus interest thereon; however, no effect was given for this amount in company's books and records.

Further, as noted, the Property, Plant and equipment become scrap and was sold during 2020-21 and 2021-22.

Based on the our review of the Financial Statements as well as other corresponding details/ data/documents/communication, we have noted that from the FY 2017-18 onwards, there are no business operations as such till CIRP date, except during FY 2020-21.

on this backdrop, following points needs attention in this regard:

- It is noted that during year 2020-21 there were sale of goods within the state to the extent of Rs.4,86,305 /- based on GST portal uploaded data. However, based on the invoices provided to us the sales for the year 2020-21 was Rs.5,76,89,587 /-. which



are inclusive of IGST invoices. Further as per audited financial statements for the FY 2020-21 output IGST is recorded at Rs.23,24,764 /-. However, as per invoices provided output IGST was Rs. 1.06 crores for Rs.5.72 crores worth sales value as determined. Hence, it could be seen that there is apparent mis-match in the GST reported values and the books of accounts/ audited financials provided to us.

- For the Financial Year 2021-22 there were invoices worth Rs.4,21,47,588 /- but no sales were recorded in the audited financial statements. However, when checked it was noted that these pertain to Sale of Fixed Assets
- During the year 2018-19 the company recorded Rs. 5.22 crores minimum commitment charges under Other Income.
- During 2019-20 and 2020-21 an amount of Rs. 2.67 crores and Rs. 9.15 crores was recognised in Reserves & Surplus towards Capital receipts from SBI and BOB & Maximum Arc respectively.
- ***During 2020-21 and 2021-22 PPE were sold at a loss of Rs.23.70 crores and Rs.14.83 crores respectively and these losses were recorded directly in Reserves & Surplus, instead of going through Profit & Loss Account which is the normal accounting practice.***
- ***Further, during 2021-22 the company has written off an amount of Rs.2.21 crores as bad debts.***
- On 10.4.2023 1.63 acres of land was sold and profit on sale of Rs.50,63,390 /- is recognised in Reserves & Surplus as a capital receipt.

Above comments are made based on verification of Financials produced to us.



BALANCE SHEET ANALYSIS OF THE CORPORATE DEBTOR FOR THE PERIOD FROM 2020-21 ONWARDS

(Amt Rs. In crores)

Particulars	2020-21	2021-22	01.04.2022 to (Till CIRP date)
EQUITY AND LIABILITIES			
Share capital	35.79	35.79	35.79
Reserves & Surplus	-101.19	-120.52	-120.11
Share application money pending allotment	0.39	0.39	0.39
Non-Current Liabilities			
Long term borrowings	64.28	61.21	62.04
Other Long term Liabilities			
Long term Provisions			
Deferred Tax Liabilities (Net)	2.86	2.86	2.86
Current liabilities			
Short-term borrowings	0.40		
Trade payables	26.60	25.13	23.93
Other current liabilities	7.05	6.91	7.11
Short-term provisions	0.71	0.16	0.16
TOTAL	36.88	11.92	12.17
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	21.44	1.55	1.46
(ii) Intangible assets			
Non current Investment			
Deferred Tax Asset			
Long-term loans and advances	0.01		
Other Non-current assets		0.02	0.02
Current assets			
Trade receivables	12.97	9.97	10.17
Current investments			
Cash and bank balances	0.53	0.02	0.16
Inventories	1.59	0.01	-
Short-term loans and advances	0.33	0.33	0.34
Other current assets			
TOTAL	36.88	11.92	12.17

- While gone through the books of accounts, we came across long outstanding amounts of numerous creditors lying in liabilities without any movement.
- It was noted that the company has raised interest free unsecured loans from Directors and other parties from the FY 2017-18 (based on the data we are provided with) and these loan balances increased significantly during the year ended 2019-20.



- From the perusal of the financial statements and OTS scheme documents from the lenders it is observed that the unsecured loan proceedings were utilized to settle the loans under OTS schemes.
- During 2021-22 the company sold PPE and received Rs. 5.05 crores and major proceedings were utilized to pay for unsecured loans.
- During 2020-21 and 2021-22 the company sold major of its PPE and the resultant loss on sale, other than sale of land, was Rs.38.54 crores
- As noted from financials that there was Income tax payable for the Financial years 2018-19 and 2019-20 of Rs. 47,75,861 and 46,75,861 respectively as per the Books of Account. However the company has not earned any profits during those relevant years. Hence it is not known on what reported income was filed before Income Tax Authorities.
- It was noted that the value of Inventory came down from Rs.1.59 Crores in 2020-2021 to Rs.0.012 crores during 2021-2022. Surprisingly, there is no sales during 2021-22; however there is 'reduction in inventory' accounted for in the Profit & Loss Account during this year, which raises suspicion on the nature of this write off entry
- Directors remuneration was provided for the financial years given below

Year	Directors Remuneration
2020-21	15,83,364
2019-20	25,61,878
2018-19	25,61,878

FINANCIAL AND OPERATIONAL PAYMENTS OF THE CORPORATE DEBTOR FOR THE PERIOD FROM APRIL' 2021 TO 24TH OF APRIL, 2023

- Noted that after the loans of Corporate Debtor became NPA, the Banks agreed for OTS option during 2019-20. The company had raised funds from its Promoters, Directors, Related Parties etc., interest free unsecured loans and repaid the bank loans along with proceeds from sale of PPE.



- Corporate Debtor has obtained several unsecured loans which were taken before 2022-23 (Reporting Period). Here, we have not come across any formal agreements executed by the Corporate Debtor to avail these unsecured loans. Repayment of the Rs. 2.29 crores have taken place during CIRP reporting period. Our analysis regarding this transaction under IBC provisions are given separately.

Details of unsecured loans as on 24th April, 2023:

S.No	List of Unsecured loans	Amount As on 24.04.2023 (Rs)
1	M Chaitanya	37,86,60,333.50
2	J C F	11,79,09,500.00
3	M Sakunthamma	3,85,67,373.00
4	Madala Ratna Giri Babu	97,95,224.00
5	Roshan enterprises	82,80,000.00
6	Emjay Steel Udyog Pvt Ltd	50,00,000.00
7	Ameen steels	42,00,000.00
8	Juvairiya impex	40,49,141.00
9	K b s metals	37,00,543.00
10	Mithra &Maithrea Enterprises	36,13,387.00
11	D R A Industries Limited	33,00,000.00
12	Jayaram Enterprises	30,00,000.00
13	Sushma enterprises	29,00,000.00
14	Quality Steels	26,53,778.00
15	Vetrivel enterprises	26,00,000.00
16	R B Steels & Alloys (India) pvt Ltd	23,39,310.00
17	Vigneswara enterprises	22,45,385.00
18	Kamakshi steels	20,00,000.00
19	Sri Sainath Enterprises	20,00,000.00
20	Victory Enterrises	19,00,000.00
21	Guntupalli mastanamma	16,31,500.00
22	Kantipudi Steels	16,30,762.00
23	Lakshmi gayatri industries pvt ltd	15,11,674.00
24	A S Metals	14,40,090.00
25	Sri Sai steels	13,68,764.00
26	Roshni Enterprises	10,00,000.00
27	Srinivas Steels	9,00,000.00
28	MA Rasheed	8,00,000.00
29	Aare Uma Maheswari	7,50,000.00
30	Lakshmi Narayana & Co	6,00,000.00



31	Sri chakradhar lorry supply office	5,94,171.00
32	Sanjay deviprasad rai	5,88,743.00
33	Sri Venkareswra Old Iron Trading Corporation	5,12,755.00
34	Technomax Furnaces	5,00,599.00
35	M Ramanaiah	5,00,000.00
36	M Saroja	5,00,000.00
37	Madala Pooja	5,00,000.00
38	V L Kantharao	5,00,000.00
39	Sona enterprises	4,48,154.00
40	Chaitanya Constructions	4,00,000.00
41	Penumuchu Rajendra Prasad	4,00,000.00
42	Savera trading company	3,40,000.00
43	M Sirisha	2,50,000.00
44	M Srinivasa Reddy	2,50,000.00
45	Sri Sai contractors	2,39,494.00
46	Audatex solutions pvt ltd	2,00,000.00
47	B Mutyala rao	2,00,000.00
48	P Chandramouli	2,00,000.00
49	P Ramesh	2,00,000.00
50	Valiveti Venkateswara rao	2,00,000.00
51	Vamsi Krishna	2,00,000.00
52	Kurra Veeraiah	1,85,000.00
53	T V Rao	1,50,000.00
54	G Appaji	1,00,000.00
55	G Koteswararao	1,00,000.00
56	K S Charyulu	1,00,000.00
57	K Sridhar	1,00,000.00
58	K V Ganesh babu	1,00,000.00
59	M Venkateswara rao	1,00,000.00
60	P Seshagiri	1,00,000.00



61	S Janaradhna rao	1,00,000.00
62	S V S Developers	1,00,000.00
63	T S Sai babu	1,00,000.00
64	U V Rao	1,00,000.00
65	V Venkata rao	1,00,000.00
66	M V S S P Kumar	80,000.00
67	B Siva Prasad	70,000.00
68	Nagabhyru Subba Rao	70,000.00
69	Kamepalli China Ragavaiah	65,000.00
70	Valeti Nageswara Rao	55,000.00
71	B B Chalam	50,000.00
72	B Kameswara Rao	50,000.00
73	B V Siva reddy	50,000.00
74	G Anitha devi	50,000.00
75	Gutta Suresh	50,000.00
76	Kali Prasad	50,000.00
77	N Sambasiva rao	50,000.00
78	P M Rao	50,000.00
79	V N Rao	50,000.00
80	Bellamkonda Rambabu	4,800.00
	Total	62,04,00,480.50



ANALYSIS OF CASH FLOWS FOR THE PERIOD FROM APRIL' 2020 TO 24TH APRIL, 2023;

FOLLOWING TABLE SHOWS THE CASH FLOW STATEMENT FOR THE PERIOD UNDER COVERAGE

Particulars	Amount (in Rs.)		
	Year ended 2020-21	Year ended 2021-22	Upto 24-04-2023
Cash flows from operating activities			
Profit before extraordinary items and tax	-1,43,48,908	-4,49,79,211	-9,11,994
Depreciation and Amortisation expenses			
Other adjustments for which cash effects are investing or financing cash flow	9,14,56,811	1,549	-6462
Total adjustments to profit (loss)	7,71,07,903	-4,49,77,662	-9,18,456
Adjustments for working capital [Abstract]			
(Decrease) increase in inventories	1,83,53,979	1,57,83,445	1,18,015
(Decrease) increase in trade receivables	1,62,05,279	2,99,29,085	-19,68,700
(Decrease) increase in Long term loans and advances	-18,582	-1,06,467	
(Decrease) increase in Short term provisions			12,670
(Decrease) increase in Short term Loans and advances	12,28,617	15,648	-51,120
(Decrease) increase in other current assets			
(Decrease) increase in trade payables	-1,60,37,149	-1,47,51,584	-1,20,00,002
(Decrease) increase in other current liabilities	-53,15,422	-68,00,214	20,00,000
Net Movement for working capital	1,44,16,722	2,40,69,913	-1,18,89,137
Net cash flows from (used in) operations	9,15,24,625	-2,09,07,749	-1,28,07,593
Interest paid	-	-	-
Income taxes paid (refund)	-	-	-
Net cash flows from (used in) operating activities before extraordinary items	9,15,24,625	-2,09,07,749	-1,28,07,593
Payment for extraordinary items	-	-	
Net cash flows from (used in) operating activities	9,15,24,625	-2,09,07,749	-1,28,07,593
Cash flows from used in investing activities [Abstract]			
Proceeds from sales of tangible assets	5,72,03,280	5,05,39,905	59,54,157
Purchase of tangible assets			
Interest received			6,462
Sale of Fixed Assets (Gross Value)-Transfer to WIP			
Net cash flows from (used in) investing activities before extraordinary	5,72,03,280	5,05,39,905	59,60,619
Payment for extraordinary items			
Net cash flows from (used in) Investing activities	5,72,03,280	5,05,39,905	59,60,619
Cash flows from used in financing activities [Abstract]			
Proceeds from / Repayment of borrowings	2,89,99,894	-3,47,49,306	83,00,000
Interest paid	-17,24,94,811	-1,549	
Net cash flows from (used in) financing activities before extraordinary	-14,34,94,811	-3,47,50,855	
Payment for extraordinary items			
Net cash flows from (used in) financing activities	-14,34,94,811	-3,47,50,855	83,00,000



Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes			
Net increase (decrease) in cash and cash equivalents	52,32,988	-51,18,699	14,53,026
Cash and cash equivalents cash flow statement at beginning of period	107,513	53,40,501	2,21,802
Cash and cash equivalents cash flow statement at end of period	53,40,501	2,21,802	16,74,828

- The company has taken loans from State Bank of India, Bank of Baroda and Indian Bank (Loans from Indian bank were transferred to Maximus ARC Limited subsequently under SARFAESI Act on 21.3.2018) for working capital purpose and the loans were sanctioned during the year 2014-15 and term loan from SBI was taken in earlier year to 2014-15.
- During the year 2019-20 OTS Schemes were offered to the above specified lenders and from the perusal of the audited financial statements, during the year 2019-20 total SBI term loan and loan for working capital purpose was settled and during 2020-21 loans from BOB and Maximus ARC Limited, were settled except Rs.40.00 Lacs in Bank of Baroda. And this was also settled during the year 2021-22
- Outstanding balances of loans before immediately before their settlements as per audited balance sheets are as follows:

Year	Lender	Outstanding Balance
2018-19	SBI Term Loan	3,42,33,600
2018-19	SBI Working Capital Loan	30,41,93,235
2019-20	Bank of Baroda	9,35,16,226
2020-21	Bank of Baroda	40,00,000
2019-20	Maximus ARC Limited (6,80,50,473+1,49,28,112)	8,29,78,585

- Unsecured loans outstanding balance on 31.03.2019 was Rs.35,23,03,954 and the same was increased to Rs. 61,38,49,893 on 31.03.2020. On observation of finance costs in audited financial statements the following expenses are recognised and payments are made.

Year	Interest recognised in Profit & Loss Statement	Interest paid as per cash flow statement
2016-17	4,52,02,794	4,52,02,794



2017-18	3,51,38,669	3,51,38,669
2018-19	2,29,58,503	2,29,58,503
2019-20	61,30,419	61,30,419
2020-21	-	17,24,94,811
2021-22	1549	1,549

From the above it could be observed that there were no interest accruals or outstandings for the year ending on 31.03.2020 and audited financials also not shown any such outstanding/accrual balance of interest.

As per audited financial statements for the FY 2021-22 unsecured loans from promoters are having balance of Rs. 41,87,22,930 which is interest free loan and remaining unsecured loan from others also is interest free loan (notes on accounts - Note I).

Based on the above we observed that there is no liability to the company to pay interest to any parties. However there is interest payment of Rs.17,24,94,811 /- in cash flow statement for the year ended 31.03.2021. Here, it was explained/clarified that it is accounting presentation/disclosure difference.

- It is observed from the audited financial statements for the FY 2021-22 in related party disclosures, the company paid Rs.2.29 crores towards repayment of unsecured loans.

It could be seen from the above as well as on going through the books of accounts and bank statements, that no major recoveries from debtors were identified and no new loans from bankers were obtained. Whatever the funds infused in to company during the reporting period, these are in the form of unsecured loans from Promoters, Directors, Related Parties and some are in the nature of temporary funding from group companies. It was noted from the examination of the books of accounts that majority of these amounts were utilised to repay the bank loans and meet the admin expenses of corporate debtor. Any other payments apart from these, wherever identified, are captured in the report at the appropriate places.



Details of Bank Account where operations routed

On perusal of the books of accounts, bank accounts operated by the Company, we have noted that most of the transactions during this period have been routed through the following bank accounts

Sl No.	Financial Year	Main Bank accounts where transactions routed
1.	2020-21	• Karur Vysya Bank Ltd. (4856281000000056)
2.	2021-22	• Karur Vysya Bank Ltd. (4856281000000056)
3.	From 1.4.22 to CIRP date	• Karur Vysya Bank Ltd. (4856281000000056)

Examination of the transactions of Corporate Debtor which may come under the ambit of sections 43, 45, 46, 49, 50 and 66 of the Insolvency and Bankruptcy Code, 2016 for the given Check Period

TRANSACTIONS COMING UNDER SECTION 43

Section 43 of the IBC is reproduced below: -

43. Preferential transactions and relevant time:

43. (1) Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as referred to in sub-section (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44.

(2) A corporate debtor shall be deemed to have given a preference, if

(a) there is a transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor; and

(b) the transfer under clause (a) has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53.

(3) For the purposes of sub-section (2), a preference shall not include the following transfer

(a) transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee;

(b) any transfer creating a security interest in property acquired by the corporate debtor to the extent that



- (i) such security interest secures new value and was given at the time of or after the signing of a security agreement that contains a description of such property as security interest and was used by corporate debtor to acquire such property; and
- (ii) such transfer was registered with an information utility on or before thirty days after the corporate debtor receives possession of such property;

Provided that any transfer made in pursuance of the order of a court shall not, preclude such transfer to be deemed as giving of preference by the corporate debtor.

Explanation:- For the purpose of sub-section (3) of this section, "new value" means money or its worth in goods, services, or new credit, or release by the transferee of property previously transferred to such transferee in a transaction that is neither void nor voidable by the liquidator or the resolution professional under this Code, including proceeds of such property, but does not include a financial debt or operational debt substituted for existing financial debt or operational debt.

- (4) A preference shall be deemed to be given at a relevant time, if
- (a) it is given to a related party (other than by reason only of being an employee), during the period of two years preceding the insolvency commencement date; or
 - (b) a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date.

Our Comments with regarding to identifying transactions coming under the above definition u/s 43: -

We have carried out examination of the books of accounts and other relevant records available to identify whether there are any preferential transactions which comes under the ambit of Section 43 of the Insolvency & Bankruptcy Code and based on our examination of the same, we have come across the following preferential transactions, coming within the definition of 'preferential transaction' as stipulated in Section 43(1) read with Section 43(2) of the Insolvency & Bankruptcy Code as detailed below

1. Preferential Payments to Managing Director

While going through the books of accounts of the Corporate Debtor, it was observed that below highlighted amounts were transferred from Company Account to the personal account of the Managing Director who comes under the category of Related party & who is also a Key Share holder and Director. As noted, these payments pertain to amounts which were withdrawn by the Managing Director purportedly against repayment of loans taken from him earlier.



The details of the amounts withdrawn by Mr. Chaitanya during the period between 23.04.2021 to 24.04.2023 from Company Bank Account to his personal account are as under:

Date	VNo	Particulars	Amount (Rs)
20-04-2023	BP-24	The Karur Vysya Bank Ltd	5,00,000
11-04-2023	BP-22	The Karur Vysya Bank Ltd	1,00,000
11-04-2023	BP-19	The Karur Vysya Bank Ltd	9,00,000
06-04-2023	BP-17	The Karur Vysya Bank Ltd	30,00,000
06-03-2023	BP-14	The Karur Vysya Bank Ltd	12,00,000
17-11-2021	BP-86	The Karur Vysya Bank Ltd	30,00,000
30-10-2021	BP-80	The Karur Vysya Bank Ltd	30,00,000
16-09-2021	BP-76	The Karur Vysya Bank Ltd	10,00,000
21-08-2021	BP-67	The Karur Vysya Bank Ltd	12,00,000
19-08-2021	BP-65	The Karur Vysya Bank Ltd	5,00,000
19-08-2021	BP-64	The Karur Vysya Bank Ltd	20,00,000
13-08-2021	BP-61	The Karur Vysya Bank Ltd	5,00,000
09-08-2021	BP-59	The Karur Vysya Bank Ltd	5,00,000
30-07-2021	BP-50	The Karur Vysya Bank Ltd	9,00,000
29-07-2021	BP-47	The Karur Vysya Bank Ltd	10,00,000
15-07-2021	BP-41	The Karur Vysya Bank Ltd	5,00,000
13-07-2021	BP-37	The Karur Vysya Bank Ltd	5,00,000
13-07-2021	BP-35	The Karur Vysya Bank Ltd	10,00,000
14-06-2021	BP-31	The Karur Vysya Bank Ltd	20,00,000
Total			2,33,00,000

On examination of Bank statements, it is observed that there were withdrawals even after CIRP date also.

The details of the amounts withdrawn by Mr. Chaitanya after CIRP date (24.04.2023) from Company Bank Account to his personal account are as under:

Date	Particulars	Amount (Rs)
25-04-2023	The Karur Vysya Bank Ltd	15,00,000
25-04-2023	The Karur Vysya Bank Ltd	25,00,000
26-04-2023	The Karur Vysya Bank Ltd	30,00,000
28-04-2023	The Karur Vysya Bank Ltd	33,10,000
Total		1,03,10,000



2. Payment to M/s Lotus trading company

While going through the books of accounts of the Corporate Debtor, it was observed that payment of Rs. 20,00,000 /- was paid from Karur Vysya Bank to M/s Lotus trading company on 17.12.2022.

This conclusion is drawn based on the below mentioned considerations:

1. The company repaid the loan to the Managing Director and M/s Lotus trading company, while there were outstanding liabilities to other creditors. Hence, this repayment created a preference for the Managing Director and M/s Lotus trading company over other creditors.
2. Section 43(2) specifies that a preference occurs when there is a transfer of property or interest for the benefit of a creditor, guarantor, or surety for an antecedent financial debt or operational debt. In the instant case, the repayment of the loan to the Managing Director qualifies as such a transfer.
3. Section 43(4) states that a preference shall be deemed to be given at a relevant time if it is provided to a related party (other than by reason only of being an employee) during the two years preceding the insolvency commencement date. Accordingly, in this case, Managing Director qualifies as a related party. a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date.

Therefore, it is evident that the company, by repaying the loan to, the Managing Director and M/s Lotus trading company, gave a preference to one creditor over others, which falls within the purview of Section 43 of IBC and and the total value of the transactions attracting to the provisions of section 43 is Rs. 3,56,10,000

TRANSACTIONS COMING UNDER SECTION 45

Section 45: Avoidance of undervalued transactions:

45. (1) If the liquidator or the resolution professional, as the case may be, on an examination of the transactions of the corporate debtor referred to in sub-section (2) of Section 43 determines that certain transactions were made during the relevant period under section 46, which were undervalued, he shall make an application to the Adjudicating Authority to declare



such transactions as void and reverse the effect of such transaction in accordance with this Chapter.

(2) A transaction shall be considered undervalued where the corporate debtor

(a) makes a gift to a person; or

(b) enters into a transaction with a person which involves the transfer of one or more assets by the corporate debtor for a consideration the value of which is significantly less than the value of the consideration provided by the corporate debtor, and such transaction has not taken place in the ordinary course of business of the corporate debtor.

Instances involving Undervalued Transactions in the instant case:

Sale of land held in the name of the Company at lower price

While going through the Books of accounts of the Corporate Debtor, we came across 2 instances where there was Sale of Land pertaining to the Company at a much lower price than the Market Value as per details given below

Sl. No.	Details of Land	Market Value as per Sale Deed	Sale value	Difference	Party to whom Transfer made
1.	Land admeasuring 3630 Sq Yds at Sy No 57/4A, Naga Rajupalli, Martoor SRO, Prakasham Dist sold vide Sale Deed No. 1680/2023 dt 10.4.2023	43,56,000	24,00,000	19,56,000	M/s Balaji Exports Mr S Suresh (Proprietor)
2.	Land admeasuring 4259.2 Sq Yds at Sy No 57/5, Naga Rajupalli, Martoor SRO, Prakasham Dist sold vide Sale Deed No. 1679/2023 dt 10.4.2023	51,12,000	28,16,000	22,96,000	M/s Balaji Granites S Bhaskar Proprietor
	TOTAL	94,68,000	52,16,000	42,52,000	

Note about applicability of IBC in respect of above instances:

We have carried out examination of the books of accounts and other relevant records available to identify whether there are any undervalued transactions which comes under the ambit of Section 45 of the Insolvency & Bankruptcy Code relating to above sale of assets and based on our examination of the same, **we are of the opinion that the Sale of above assets at significantly lesser value than the book value in respect of those assets comes under the ambit of undervalued transactions as listed in Section 45(2) of the Insolvency & Bankruptcy Code and the total value of the transactions attracting the provisions of section 45 is Rs. 42,52,000/-**

TRANSACTIONS COMING UNDER SECTION 49

Section 49: Transactions defrauding creditors:

49. Where the corporate debtor has entered into an undervalued transaction as referred to subsection (2) of section 45 and the Adjudicating Authority is satisfied that such transaction was deliberately entered into by such corporate debtor

- (a) For keeping assets of the corporate debtor beyond the reach of any person who is entitled to make a claim against the corporate debtor; or
- (b) In order to adversely affect the interests of such a person in relation to the claim, the Adjudicating Authority shall make an order
 - (i) Restoring the position as it existed before such transaction as if the transaction had not been entered into; and
 - (ii) Protecting the interests of persons who are victims of such transactions

Provided that an order under this section

- (a) Shall not affect any interest in property which was acquired from a person other than the corporate debtor and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest, and
- (b) Shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances to pay any sum unless he was a party to the transaction.

Our Comments: -



As could be observed from the wordings in the opening para of Section 49 above, this particular section is applicable where there are any undervalued transactions referred to in Section 45(2) of the Insolvency & Bankruptcy Code.

In the instant case, the fact of Sale of Company Land at significantly lesser value than the Govt Value, this is coming under Sec 45. As the property in question is Land, this had affected the interest of the Lenders and hence Section 49 is also attracted here and the total value of the transactions attracting the provisions of section 49 is Rs. 42,52,000/-

TRANSACTIONS COMING UNDER SECTION 50

Section 50: Extortionate credit transactions:

50. (1) Where the corporate debtor has been a party to an extortionate credit transaction involving the receipt of financial or operational debt during the period within two years preceding the insolvency commencement date, the liquidator or the resolution professional as the case may be, may make an application for avoidance of such transaction to the Adjudicating Authority if the terms of such transaction required exorbitant payments to be made by the corporate debtor.

(2) The Board may specify the circumstances in which a transaction which shall be covered under sub-section (1).

Explanation for the purpose of this section, it is clarified that any debt extended by any person providing financial services which is in compliance with any law for the time being in force in relation to such debt shall in no event be considered as an extortionate credit transaction.

Our Comments:-

We have carried out examination of the books of accounts and other relevant records available to identify whether there are any extortionate credit transactions which comes under the ambit of Section 50 of the Insolvency & Bankruptcy Code and based on our examination of the same, we have not come across any instances of extortionate credit transactions as listed in Section 50 of the Insolvency & Bankruptcy Code.

TRANSACTIONS COMING UNDER SECTION 66



Section 66: Fraudulent trading or wrongful trading:

66. (1) If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit.

(2) On an application made by a resolution professional during the corporate insolvency resolution process, the Adjudicating Authority may by an order direct that a director or partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if

(a) before the insolvency commencement date, such director or partner knew or ought to have known that there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor; and

(b) such director or partner did not exercise due diligence in minimizing the potential loss to the creditors of the corporate debtor.

Explanation: -

For the purposes of this section a director or partner of the corporate debtor, as the case may be, shall be deemed to have exercised due diligence if such diligence was reasonably expected of a person carrying out the same functions as are carried out by such director or partner, as the case may be, in relation to the corporate debtor.

Our Comments u/s 66 read with other connected relevant issues**Fixed Assets sold**

While verifying the books of accounts, we noted that almost all Fixed assets were sold during FY 21-22 and 22-23. Details of the same were given below.

Summary of sale of assets made by the Company

Sl. No.	Asset	Opening WDV As on 01.04.2020	Sale value	Profit (or) (Loss)
1	Factory Building	1,34,20,366	35,13,238	(99,07,128)
2	Factory Building new	10,35,65,788	1,95,28,428	(8,40,37,360)
3	Non Factory Building	2,85,64,482	27,93,831	(50,05,000)
4	Air Conditioners	3,53,587	1,33,754	(2,19,833)
5	Electrical Equipment	1,24,03,301	32,00,757	(92,02,544)



6	Other equipment	96,07,401	19,61,573	(76,45,828)
7	Tankers	34,270	11,556	(22,714)
8	Plant & Machinery	4,29,88,552	1,09,53,830	(3,20,34,722)
9	Plant & Machinery (Rolling)	29,56,60,604	5,86,21,700	(23,70,38,904)
10	Coffee Vending Machine	8,328	4,147	(4,181)
11	Slag Machine	3,35,332	1,17,177	(2,18,155)
12	Weighing Machine store	3952	1,427	(2,525)
13	Lab equipment	76,720	39,451	(37,269)
	TOTAL	50,70,22,683	10,08,80,869	38,53,76,163

The carrying value of these assets on the corporate debtor's books was Rs. 50,70,22,683, whereas the sale value was merely Rs. 10,08,80,869, **resulting in a loss of Rs.38,53,76,163.**

This significant variance between the carrying value and the sale value raises concerns of fraudulent transactions as defined under Section 66 of the IBC 2016. No supporting justification/ explanation was provided regarding the sale of these assets at lower values by the suspended directors thereby making it clear that such Directors have not exercised any due diligence in minimizing the potential loss to the creditors of the Corporate Debtor, which squarely attracts the provisions of Section 66(2)(b) of IBC, 2016.

Fictitious trade receivables

In the course of the audit, we requested the resolution professional to obtain balance confirmations from all the receivables outstanding in the books of Sai Bhaskar Irons Limited as of March 31, 2023. The total outstanding receivables amount to Rs. 9.97 Crores. However, it is a matter of grave concern that we have been informed that majority of these parties have categorically denied having any prior transactions with Sai Bhaskar Irons Limited and have rejected any dues payable to SBIL. A list of these parties has been enclosed for reference.



S.No	Party Name	Address	Amount In Rs	Response
1	Integral Trading and Logistics India Pvt Ltd	# 31-33-122/1, 4th Floor, Presidency Towers, Near Neelamma Vepachettu, Visakapatama	5,45,59,932	Party has denied any transactions with CD.
2	Vizag Re-Bars Pvt Ltd	Plot No.1, Servey No.130, Jn Phama City, Parawada Mandal, Visakapatnam-531021	3,59,94,721	Vizag rebars has denied any balance outstanding with the party and has stated that he has a receivable from the party.
3	Sujana Universal Industries Ltd	Sy.No.172, Plot No.12/1, IDA, Bollaram, Medak Dist	47,79,870	Sujana has undergone CIRP and hence the amount which are nit claimed under CIRP has been lapsed.
4	TSN Old Irons Scrap Merchant	Vijaywada	11,00,000	No Response received
5	Srinivasa Enterprises	A1, IDA, Plot No.12, B-Block, Auto Nagar, Opp: SRMT, Visakapatnam-530026	6,29,132	No Response received
6	Raj Steel Enterprises	W1/1308-A, Cp Unner Cross Road, Ernakulam, Kerala	4,98,169	Raj steel has submitted his ledger extract and has denied for any payable amount.
7	R B Steels & Alloys (India) Pvt Ltd	45, S.No.2&3, PNS Layout Extension, 80 Feet Road, Kalyunnagar post, Bangalore	4,90,812	No Response received
8	Seven Star Stee	12-12-86/B, Padi Street, Islampet, Vijayawada	3,00,000	No Response received
9	Chennareddy Constructions	4/14/215/2, Chennareddy Enclave, 4th Floor, 3rd Lane, Anjaneyapet, Guntur	2,58,439	ChennaReddy has denied from any transactions from SBIL.
10	Sri Venkareswra Old Iron Trading Corporation	D.No.55-2-4, Police Station Road, Jawahar Auto Nagar, Vijayawada-522007	2,42,684	No Response received
11	Bhavva Cements Limited	Tangeda Vilege, Dachepalli Mandal, Guntur Dist	1,53,456	No Response received
12	N m d c Ltd	khanil Bhavan, 10-3-311/A, Castlehills, Masab tank, Hyderabad-500173	1,42,298	No Response received
13	Sree Prakasa Traders	Rs.No.32/2B, 100 Feet Road, Beside Kamineni Hospital, Penamaluri Mandal, Poraki	98,695	No Response received
14	Bharat crane service	Guntur	3,00,000	Neither the address nor the mailid has been shared by CD
15	K Srinivasarao	Guntur	2,21,400	Neither the address nor the mailid has been shared by CD
		Total	9,97,69,608	



Taking all the above into consideration, the fictitious trade receivables accounted by CD amounted to Rs. 9,97,69,608 /- and we have categorized the above instance under Sec 66 of IBC, 2016.

Thus the total value of transactions attracting section 66 is Rs. 48,51,45,771 /-

Disclaimer and Limitations:

The report and the observations should be read in conjunction with the following

- The engagement was carried out in accordance with our appointment dated 23rd August, 2023 and the scope mentioned therein.
- The coverage period is as mentioned in the engagement letter.
- All matters, issues and information referred to in this report are from data made available to us by the Company & Resolution Professional.
- Findings are based on the transactions reviewed and are based on the information/documents (including photocopies/scan copies) furnished and to the extent reviewed.
- We have relied on the documents/information furnished to us. Photocopies and Scanned documents were provided by Resolution Professional and the observations are made, based on analysis of those documents.
- This review is in the nature of a special review engagement and is not an audit of the accounts balances/financial statements.
- Under no circumstances shall S&A be liable, for any loss or damage, of whatsoever nature, arising from information being withheld or concealed from us or misrepresented by any person/agency to which information requests were made.



- S&A assumes no responsibility to any user of the report other than the Client, Resolution Professional in the instant case. Any other persons who choose to rely on our report do so entirely at their own risk.
- This report is furnished solely for the information of the client with its request to S&A to conduct a Transaction Review audit vide engagement letter stated above and should not be used, circulated, quoted or otherwise referred to for any other purpose, nor included or referred to in whole or in part in any document without our prior written consent (*except Regulatory Authorities*)
- For the listings/databases available in the public domain, S&A referred to the listings (available on date of the research) and has presented information accordingly. It is to be noted that some of these databases are/might not get updated regularly.
- Information for review was received by email (along with attachments) as well as through external drives such as pen drive etc. and reliance is placed on such information. Accuracy and correctness of such emails/shared folders and data copied on external drives were not verified for the purpose of this review.

Date : 09.12.2023
Place : Hyderabad

**For Sarath & Associates
Chartered Accountants
Firm/Regn No.05120S**



Date	Name	Doc no	Extent of land	Date	Name	Doc no	Extent of land
18/09/2007	M Ratnagiri Babu	2810/2007	0.67	03/10/2007	M Chaitanya	2957/2007	0.07
18/09/2007	M Ratnagiri Babu	2810/2007	0.59	03/10/2007	M Chaitanya	2957/2007	1.28
18/09/2007	M Ratnagiri Babu	2816/2007	0.16	03/10/2007	M Chaitanya	2957/2007	0.14
18/09/2007	M Ratnagiri Babu	2816/2007	0.8	03/10/2007	M Chaitanya	2957/2007	0.33
07/01/2008	M Ratnagiri Babu	27/2008	0.9	03/10/2007	M Chaitanya	2957/2007	0.54
18/09/2007	M Ratnagiri Babu	2817/2007	0.3	03/10/2007	M Chaitanya	2957/2007	0.27
18/09/2007	M Ratnagiri Babu	2817/2007	0.15	03/10/2007	M Chaitanya	2957/2007	0.97
18/09/2007	M Ratnagiri Babu	2817/2007	0.3	13/02/2008	M Chaitanya	229/2008	0.84
18/09/2007	M Ratnagiri Babu	2817/2007	0.4	13/02/2008	M Chaitanya	229/2008	0.11
18/09/2007	M Ratnagiri Babu	2817/2007	0.36	13/02/2008	M Chaitanya	229/2008	0.2
18/09/2007	M Ratnagiri Babu	2817/2007	0.38	13/02/2008	M Chaitanya	229/2008	0.17
18/09/2007	M Ratnagiri Babu	2818/2007	0.28	13/02/2008	M Chaitanya	229/2008	0.11
18/09/2007	M Ratnagiri Babu	2818/2007	0.33	13/02/2008	M Chaitanya	229/2008	0.11
18/09/2007	M Ratnagiri Babu	2818/2007	0.13	13/02/2008	M Chaitanya	229/2008	0.1
18/09/2007	M Ratnagiri Babu	2819/2007	0.44	13/02/2008	M Chaitanya	230/2008	0.08
18/09/2007	M Ratnagiri Babu	2819/2007	0.26	13/02/2008	M Chaitanya	230/2008	0.13
Total Extent of Land			6.45	13/02/2008	M Chaitanya	230/2008	1.11
				13/02/2008	M Chaitanya	230/2008	0.84
				13/02/2008	M Chaitanya	230/2008	0.48
				13/02/2008	M Chaitanya	230/2008	0.45
				13/02/2008	M Chaitanya	230/2008	0.69
				13/02/2008	M Chaitanya	230/2008	0.28
				13/02/2008	M Chaitanya	230/2008	0.22
				13/02/2008	M Chaitanya	230/2008	0.53
				13/02/2008	M Chaitanya	230/2008	0.61
				13/02/2008	M Chaitanya	230/2008	0.24
				08/02/2008	M Chaitanya	203/2008	0.97
				08/02/2008	M Chaitanya	204/2008	1.16
Total Extent of Land							13.03

days of its submission.

39. Verification of claims.-

(1) The liquidator shall verify the claims submitted under section 38 within such time as specified by the Board.

(2) The liquidator may require any creditor or the corporate debtor or any other person to produce any other document or evidence which he thinks necessary for the purpose of verifying the whole or any part of the claim.

40. Admission or rejection of claims. -

(1) The liquidator may, after verification of claims under section 39, either admit or reject the claim, in whole or in part, as the case may be:

Provided that where the liquidator rejects a claim, he shall record in writing the reasons for such rejection.

(2) The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within seven days of such admission or rejection of claims.

41. Determination of valuation of claims. -

The liquidator shall determine the value of claims admitted under section 40 in such manner as may be specified by the Board.

42. Appeal against the decision of liquidator. -

A creditor may appeal to the Adjudicating Authority against the decision of the liquidator ¹[accepting or] rejecting the claims within fourteen days of the receipt of such decision.

43. Preferential transactions and relevant time. -

(1) Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as referred to in sub-section (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44.

(2) A corporate debtor shall be deemed to have given a preference, if—

(a) there is a transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor; and

¹ Ins. by Act No.26 of 2018, sec. 27 (w.e.f. 6-6-2018).

(b) the transfer under clause (a) has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53.

(3) For the purposes of sub-section (2), a preference shall not include the following transfers—

(a) transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee;

(b) any transfer creating a security interest in property acquired by the corporate debtor to the extent that –

(i) such security interest secures new value and was given at the time of or after the signing of a security agreement that contains a description of such property as security interest, and was used by corporate debtor to acquire such property; and

(ii) such transfer was registered with an information utility on or before thirty days after the corporate debtor receives possession of such property:

Provided that any transfer made in pursuance of the order of a court shall not, preclude such transfer to be deemed as giving of preference by the corporate debtor.

Explanation. – For the purpose of sub-section (3) of this section, “new value” means money or its worth in goods, services, or new credit, or release by the transferee of property previously transferred to such transferee in a transaction that is neither void nor voidable by the liquidator or the resolution professional under this Code, including proceeds of such property, but does not include a financial debt or operational debt substituted for existing financial debt or operational debt.

(4) A preference shall be deemed to be given at a relevant time, if –

(a) it is given to a related party (other than by reason only of being an employee), during the period of two years preceding the insolvency commencement date; or

(b) a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date.

44. Orders in case of preferential transactions. -

(1) The Adjudicating Authority, may, on an application made by the resolution professional or liquidator under sub-section (1) of section 43, by an order:

(a) require any property transferred in connection with the giving of the preference to be vested in the corporate debtor;

(b) require any property to be so vested if it represents the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) of any security interest created by the

corporate debtor;

(d) require any person to pay such sums in respect of benefits received by him from the corporate debtor, such sums to the liquidator or the resolution professional, as the Adjudicating Authority may direct;

(e) direct any guarantor, whose financial debts or operational debts owed to any person were released or discharged (in whole or in part) by the giving of the preference, to be under such new or revived financial debts or operational debts to that person as the Adjudicating Authority deems appropriate;

(f) direct for providing security or charge on any property for the discharge of any financial debt or operational debt under the order, and such security or charge to have the same priority as a security or charge released or discharged wholly or in part by the giving of the preference; and

(g) direct for providing the extent to which any person whose property is so vested in the corporate debtor, or on whom financial debts or operational debts are imposed by the order, are to be proved in the liquidation or the corporate insolvency resolution process for financial debts or operational debts which arose from, or were released or discharged wholly or in part by the giving of the preference:

Provided that an order under this section shall not -

(a) affect any interest in property which was acquired from a person other than the corporate debtor or any interest derived from such interest and was acquired in good faith and for value;

(b) require a person, who received a benefit from the preferential transaction in good faith and for value to pay a sum to the liquidator or the resolution professional.

Explanation-I: For the purpose of this section, it is clarified that where a person, who has acquired an interest in property from another person other than the corporate debtor, or who has received a benefit from the preference or such another person to whom the corporate debtor gave the preference, -

(i) had sufficient information of the initiation or commencement of insolvency resolution process of the corporate debtor;

(ii) is a related party,

it shall be presumed that the interest was acquired, or the benefit was received otherwise than in good faith unless the contrary is shown.

Explanation-II. – A person shall be deemed to have sufficient information or opportunity to avail such information if a public announcement regarding the corporate insolvency resolution process has been made under section 13.

**BEFORE THE NATIONAL
COMPANY LAW TRIBUNAL AT
HYDERABAD BENCH**

I.A. No. Of 2023

In

CP (IB) No 252/9/HDB/2021

In the matter of **Sai Bhaskar Irons Ltd**

Between:

Dr Kondapalli Venkat Srinivas
RP, Sai Bhaskar Irons Ltd

.. **Applicant.**

Vs

Mr. RATNAGIRI BABU MADALA &
Ors .. **Respondents**

**APPLICATION UNDER SEC 43 OF
INSOLVENCY AND BANKRUPTCY
CODE 2016, R/w Rule 11 of NCLT
Rules, 2016**

FILED ON : .12.2023

S.no of Resp	Mode of Service	Date of Service	Return Reason
1.	eMail	13.12.23	NA
2	eMail		
3	eMail		
Next date of hearing		22.12.23	
Status		Pending	

Filed on : 14.12.23

Filed by :

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