



S.No.2

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
13-09-2024 AT 10:30 AM**

CP (IB) No. 335/7/HDB/2022

AND

IA (IBC) (Liquidation) 8/2024 in CP (IB) No. 335/7/HDB/2022

u/s. 7 of IBC, 2016

IN THE MATTER OF:

State Bank of India

...Financial Creditor

AND

M/s. G S Biotech Limited

...Corporate Debtor

C O R A M:-

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

O R D E R

IA (IBC) (Liquidation) 8/2024

Orders pronounced. In the result, **this application is allowed**, as per the terms and conditions mentioned therein.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH-1, HYDERABAD**

I.A. (IBC) (Liquidation) No. 8 of 2024

IN

C.P. (IB) NO. 335/7/HDB/2022

Under Section 33(2) of the Insolvency and Bankruptcy Code, 2016

IN THE MATTER OF:

Mr. RAJESH CHILLALE

Resolution Professional, M/s. G S Biotech Limited,

Having Office at B-725, Western Plaza,

OU Colony, HS Darga, Manikonda,

Hyderabad, Telangana-500008.

...APPLICANT/RESOLUTION PROFESSIONAL

Date of Order: 13.09.2024

Coram:

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA

HON'BLE MEMBER (JUDICIAL)

SHRI CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

Parties/Counsels present:

For Applicant	: Mr. Vineeth Reddy, Counsel along with Ld. Resolution Professional Mr. Rajesh Chillale
For Respondent	: NA



PER BENCH

ORDER

1. This is an application filed by Mr. Rajesh Chillale, Resolution Professional of M/s. G S Biotech Limited (hereinafter referred as 'Corporate Debtor') under Section 33(2) of The Insolvency and Bankruptcy Code, 2016 (hereinafter referred as 'IBC') seeking Liquidation of the Corporate Debtor.
2. It was submitted that this Tribunal vide order dated 24.03.2023 in C.P. (IB) No. 335/7/HDB/2022, put the Corporate Debtor into Corporate Insolvency Resolution Process (hereinafter referred as 'CIRP') and appointed the Applicant herein as the Interim Resolution Professional. It was submitted that the Applicant caused a public announcement dated 29.03.2023 in Mana Telangana (Telugu) and Financial Express (English) newspapers inviting claims from the creditors of the Corporate Debtor.
3. It was submitted that on 21.05.2023 the Applicant published Form-G seeking Invitation for 'Expression of Interest' (EOI) in the newspapers Financial Express (All India Edition), Mana Telangana (Telangana Edition) and Eenadu (Hyderabad and Adilabad District Editions and Lokmat (Nanded District Edition) for submitting the Resolution Plan of the Corporate Debtor wherein the last date for submitting EOI was mentioned to be 05.06.2023.



That pursuant to this publication of Form-G the Applicant received nine EOIs.

4. It was submitted that the Applicant issued the provisional list of Prospective Resolution Applicants on 15.06.2023 and the Final List of Prospective Resolution Applicants on 22.07.2023 notifying the last date of submission of resolution plan as 06.09.2023. It was submitted that in the 5th Committee of Creditors (CoC) Meeting of the Corporate Debtor, it was resolved to extend the timeline for submission of Resolution Plans by the Prospective Resolution Applicants.

5. It was submitted that the Applicant received one Resolution Plan from 'N.V. Ramaraju in consortium with M/s. Sritelangana Mega Food Park Ltd' (hereinafter referred as 'Resolution Applicant') and the same was brought to the notice of CoC in the 6th CoC Meeting held on 29.09.2023. It was submitted that after few observations made by the CoC, the Resolution Applicant submitted a revised Resolution Plan on 17.01.2024 and the same was put for voting in the 9th CoC Meeting held on 13.02.2024. It was submitted that a Resolution to liquidate the Corporate Debtor was also put for voting in case the CoC rejects the revised Resolution Plan submitted by the Resolution Applicant. It was submitted that the voting timelines were



provided as 15.02.2024 to 19.02.2024 and that at the request of State Bank of India vide email dated 07.03.2024, the last date for voting on the resolutions mentioned above was extended till 31.03.2024.

6. It was submitted that in the 11th CoC Meeting held on 26.03.2024, the CoC of the Corporate Debtor rejected the revised Resolution Plan dated 17.01.2024 submitted by the Resolution Applicant and resolved to Liquidate the Corporate Debtor and to appoint the Applicant herein as the Liquidator of the Corporate Debtor.

7. We have heard the Learned Counsel for the Applicant/Resolution Professional, the Learned Resolution Professional and perused the record.

8. In terms of section 33 (2) of the Code which is as below, the liquidation of the Corporate Debtor can be ordered when the circumstances mentioned in the said section are present.

“Section 33. Initiation of Liquidation

.....

(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors (approved by not less than sixty-six per cent. of the voting share) to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).”



9. In the instant case, in the 11th Meeting of the CoC dated 26.03.2024, it was resolved to Liquidate the Corporate Debtor and appoint the Applicant herein as the Liquidator which is as follows:

“RESOLVED THAT pursuant to Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (including all the amendments and modifications for the time being in force), consent of Committee of Creditors be & is hereby accorded to Liquidate the Corporate Debtor M/s. G S Biotech Limited.

RESOLVED FURTHER THAT pursuant to Section 33 of the Insolvency and Bankruptcy Code, 2016 (including all the amendments and modifications for the time being in force), the committee be and is hereby authorized Mr. Rajesh Chillale, Resolution Professional to make necessary application to the Adjudicating Authority and do all acts, deeds and things as may be necessary to give effect to said resolution & do all such acts, deeds, matters necessary incidental thereto.”

10. Along with other resolutions, the CoC resolved to appoint the Applicant herein as the Liquidator of the Corporate Debtor which are as follows:

“RESOLVED THAT pursuant to Section 34 of the Insolvency and Bankruptcy Code, 2016 (including all the amendments and modifications for the time being in force), consent of Committee of Creditors be & is hereby accorded to appoint Mr. Rajesh Chillale Resolution Professional as the Liquidator for the Corporate Debtor M/s. G S Biotech Limited.

RESOLVED FURTHER THAT the Liquidator be paid fee @ 50% as per Regulation 4 of the Insolvency and Bankruptcy Board of India (Liquidation Process Regulations) 2016.

RESOLVED FURTHER THAT the fee payable to the Liquidator shall form part of Liquidation cost.



RESOLVED FURTHER THAT pursuant to Section 34 of the Insolvency and Bankruptcy Code, 2016 (including all the amendments and modifications for the time being in force), the committee be and is hereby authorize Mr. Rajesh Chillale, Resolution Professional to make necessary application to the Adjudicating Authority and do all acts, deeds and things as may be necessary to give effect to said resolution & to do all such acts, deeds matters necessary incidental thereto.”

11. Basing on these resolutions of the CoC, the Applicant herein filed the present Application seeking Liquidation of the Corporate Debtor. We find that the Application satisfies the requirements of Section 33(2) of IBC as there is no confirmed resolution plan of the Corporate Debtor and that the resolution to Liquidate the Corporate Debtor is supported with 100% voting of CoC (the requirement being not less than 66%).

12. In exercise of the powers conferred under sub-clauses (i), (ii) and (iii) of Clause (b) of sub-section (1), this Tribunal passes the following order:

(A) This Adjudicating Authority hereby orders for liquidation of M/s G S Biotech Limited, the Corporate Debtor herein, which shall be conducted in the manner as laid down in Chapter III of part II of IBC;

(B) This Adjudicating Authority hereby appoints Mr. Rajesh Chillale (Reg. No. IBBI/IPA-001/IP-P00699/2017-2018/11226, the Applicant herein as the Liquidator. He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;



(C) The moratorium declared under Section 14 of IBC shall cease to have effect from the date of the order of liquidation;

(D) Subject to Section 52 of IBC, no suit or other legal proceedings shall be instituted by/or against the Corporate Debtor. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the Corporate Debtor, with the prior approval of this Authority.

(E) It is made clear that clause (D) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.

(F) This order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the Liquidation process by the Liquidator.

(G) All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested in the Company Liquidator viz., Mr. Rajesh Chillale.



(H) In addition to this, the Liquidator of the Corporate Debtor shall exercise powers and duties as enumerated in Sections 35 to 50, 52 to 54 of IBC read with The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(I) The personnel of the Corporate Debtor shall extend all assistance and cooperation to the Company Liquidator as may be required in managing the affairs of the Corporate Debtor.

(J) The Liquidator shall keep in view the provisions of Regulation 32A of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and shall endeavour to first sell the Corporate Debtor or its business as going concern. However, if he is unable to sell the Corporate Debtor or its business within 90 days from the liquidation commencement date, Liquidator shall proceed to sell the assets of the Corporate Debtor under clauses (a) to (d) of Regulation 32 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(K) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34 (8) of the Code.



(L) Copy of this Order shall be sent to the concerned Registrar of Companies, Regional Director, Official Liquidator, Registered Office of the Corporate Debtor and Company Liquidator, namely, Mr. Rajesh Chillale for information and compliance.

(M) Registry is directed to furnish a copy of this order to IBBI for confirmation of appointment of Liquidator.

13. In terms of the above, the present Application stands disposed of.

SD

Charan Singh
Member (Technical)

SD

Dr. Venkata Ramakrishna Badarinath Nandula
Member (Judicial)

Anil/Pavani