

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO:II
SPECIAL BENCH(Video Conference)**

**CORAM: HON'BLE MADAN BHALCHANDRA GOSAVI – MEMBER JUDICIAL
HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL
ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 14.07.2021 AT 12:30 PM THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No.269/2020 in CP(IB) No.280/9/HDB/2018
NAME OF THE COMPANY	Sristek Clinical Research Solutions Ltd
NAME OF THE PETITIONER(S)	Bilcare Ltd
NAME OF THE RESPONDENT(S)	Sristek Clinical Research Solutions Ltd
UNDER SECTION	9 of IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

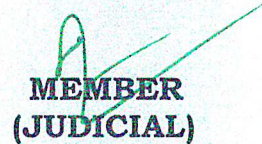
ORDER

Order is pronounced. Disposed of vide separate order.



**MEMBER
(TECHNICAL)**

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**MEMBER
(JUDICIAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD.**

IA No.269/2019 in
CP (IB) No.280/9/HDB/2018
Under regulation 14 of IBBI (Liquidation Process), 2016
Read with Rule 11 of NCLT Rules, 2016.

In the matter of :-
M/s. SRISTEK CLINICAL RESEARCH SOLUTIONS LIMITED

BETWEEN

M/s Bilcare Limited
Regd. Office at
GAT No.1028, Shirol Tal Khed Village,
Rajgurnagar, Pune, Maharashtra, India.

**... Applicant Company/
Operational Creditor**

AND

M/s Sristek Clinical Research Solutions Limited
Regd. Office at
DLF Cyber City, Block 3, 8th floor
Gachibowli Village, Serilingampally Mandal
Hyderabad, Telangana 500048, India.

**... Respondent Company/
Corporate Debtor**

Mr. Chillale Rajesh,
Reg. No. IBBI/IPA-001/IP-N00699/2017-18/11226
b-421, Western Plaza, HS Darga
OU Colony, Hyderabad
Telangana 500008.

...Liquidator

Date of Order:14.07.2021

Coram: Shri Madan B. Gosavi, Member Judicial.

Dr. Binod Kumar Sinha, Member Technical.

Parties/Counsel Present:

For the Applicant: Mr. V.M.M. Chary, Counsel

For Liquidator : Ms. Mano Ranjani, Counsel

[Per Bench]

ORDER

- 1) The Present Application bearing IA No.269/2019 in CP (IB) No.280/9/HDB/2018 is filed by the Liquidator seeking following prayers:
 - a. To pass the dissolution order u/s 54(1)(a) and Regulation 14 of IBBI (Liquidation Process_ Regulations 2016 or any other provisions of Insolvency and Bankruptcy Code, 2016.
 - b. To pass an order directing the original Applicant to pay the Liquidator Rs. 1,09,450/- towards expenses and Rs. 75,000/- per month as a fee for performing his duties as Liquidator from 06.12.2019 upto the issuance of order for dissolution by this Adjudicating Authority.
- 2) Brief facts of the present case as stated by the learned counsel for the Applicant are as follows:
 - a) That this Adjudicating Authority vide its order dated 14.02.2019, admitted the Application filed by M/s. Bilcare Limited (Operational Creditor) under section 9 of the IBC, 2016, for initiation of CIRP against the Corporate Debtor (M/s. Sristek Clinical Research Solutions Limited) and appointed Mr. Subba Rao Gonuguntla as Interim Resolution Professional (IRP). Later he was confirmed as Resolution Professional (RP) by CoC.
 - b) That since no resolution plan was received, the CoC, resolved to file an application before the Adjudicating Authority, Hyderabad for liquidation of the Corporate Debtor under Section 33(2) of Insolvency and Bankruptcy code and in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-

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Section (1) of Section 33 of the I&B Code, 2016, this Adjudicating Authority passed an order for Liquidation vide Order dated 06/12/2019 in IA No.777 of 2019 in the matter of M/s. Sristek Clinical Research Solutions Limited and appointed Mr. Chillale Rajesh to act as Liquidator.

- c) That pursuant to the orders, the Liquidator has caused the "Public Announcement" in Form B of Schedule II in two daily newspapers, which were published on 13.12.2019 in English (Financial Express) and in vernacular (Nava Telangana), both in Hyderabad editions, inviting claims from the stakeholders of Corporate Debtor before 12.01.2020.
- d) That the claims were received only from the original applicant U/s 9 of the Code in the Form C for Rs.2,62,63,464.42 (Rs.2,10,52,877.29 as Principal and Rs.52,10,587.13 as Interest). An amount of Rs.65,59,879/- was approved by the Liquidator after due verification of the claims submitted with Corporate Debtor's Books of Accounts.
- e) That as per the information and documents received by the liquidator it is submitted that
- i. The Corporate debtor did not have any formal operations since 1st January 2015.
 - ii. On 1st January, 2015, the Corporate Debtor entered into a merger agreement with M/s Izen Biosciences. As part of the merger agreement, all liabilities, employees, projects and other assets of the Corporate Debtor were to be transferred to the merged entity.
 - iii. Accordingly, the said company took over the operations, employees, liabilities, assets and projects of the Corporate

Debtor and managed it till June 2015 and in the process the Corporate Debtor vacated its office and moved into the office of M/s Izen Biosciences.

- iv. However, the merger agreement did not materialize and the Corporate Debtor was asked to vacate the office premises of M/s Izen Biosciences.
 - v. From then on, the Corporate Debtor had no office and operations of its own and the suspended Board of Directors could not revive the company in view of the huge liabilities, legal and compliance issues, project delivery issues and other uncertainties.
 - vi. The Corporate Debtor had filed the Annual Returns with ROC upto FY 2011-12.
- f) That on 12th July 2019 a letter was given to the IRP/RP stating that the Corporate Debtor did not acquire any properties either land or building during its years of operations. That the properties belonging to the Directors/Promoters of the company were mortgaged to banks/financial institutions for availing the loans to the Corporate Debtor and the same properties were sold during 2017-18 and the bankers were paid by reaching a One Time Settlement with them.
- g) That with regards to the financial position of the Company it is submitted that as per the promoters, the Corporate Debtor has completely stopped operations since June 2015. As per the latest Audited Balance sheet for the FY 2017-18; the Company does not have any assets or inventories except for some other current assets valued at Rs.14,39,954/- . As per the discussions of

liquidator with the Suspended Board of Directors & the IRP/RP and as per the books of accounts of the company, these other current assets are TDS receivables and are not realizable. Thus, the Corporate Debtor has no realizable assets and hence no valuation has been conducted.

- h) That the Corporate Debtor had no revenue and no assets. Only the non-realizable "Other current accounts" valued at Rs.14,39,954/- got carried forward from the previous years.
- i) That as per the first meeting of Stakeholders' Consultation Committee, the discussions held on the agenda items at the said meeting were:
- i. The present value of the assets over liabilities is Rs.(-)65,59,879/-
 - ii. Amount of claim admitted of the sole claimant (who is also the applicant of Section 9 application) is Rs.65,59,879/-
 - iii. Estimated liquidation cost is Rs.3,67,560/-
 - iv. No possibility of sale of the company as a going concern.
 - v. Early dissolution of the Corporate Debtor
- j) Other members of the stakeholders committee made a note of the same and decided to proceed with the early dissolution as there is no business for the last 5 years, no assets, no office space and no employees.
- k) That under Section 54 of the I & B Code under 'Dissolution of the Corporate Debtor' –

Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

- l) That the Corporate Debtor does not have any kind of assets, for the liquidator to form a Liquidation estate and to sell the assets to distribute the proceeds to the Creditors as per the provisions of I&B Code. Consequently, the Liquidator has no other option but to pray before this Adjudicating Authority to approve for early dissolution of the Corporate Debtor under Regulation 14 of IBBI (Liquidation Process) Regulations, 2016.
 - m) That as per Regulation 2A of IBBI (Liquidation Process) Regulations, 2016, the liquidation costs have to be contributed by the COC. Accordingly, liquidator requested them to provide Rs.2 lakhs as advance to meet the Liquidation expenses, but it was refused stating that there is no direction from the Adjudicating Authority. Consequently, all the liquidation costs till date are being borne by the Liquidator himself.
 - n) Furthermore the Corporate Debtor had closed its operations long back and there appears no disputes or no allegations of fraud or misuse of funds. As such, the liquidator came to conclusion that the affairs of the Corporate Debtor do not require any further investigation too.
 - o) Reiterating the above, the Applicant/Liquidator prayed to allow the instant Application as sought for.
- 3) Heard. Perused record.
 - 4) It is a fact on record that there are no realizable assets held by the Corporate Debtor so as to form a Liquidation Estate and to distribute the proceeds thereof. Accordingly, this Adjudicating Authority in

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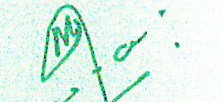
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exercise of the powers conferred under Section 54(2) of the I&B Code, 2016, deems it proper to pass an order of the dissolution of the Corporate Debtor. Thus Corporate Debtor herein i.e., M/s. Sristek Clinical Research Solutions Limited stands dissolved from the date of this order. Liquidator also stands relieved.

- 5) It has been submitted by the Liquidator that all liquidation costs have been borne by the Liquidator himself which comes to Rs.1,09,450/-. He has also claimed his fees @Rs.75000/- per month for performing his duties as the Liquidator. The Learned Counsel for the original Applicant / Operational Creditor agreed to reimburse the liquidation cost to the Liquidator but expressed reservation about payment of fees @75,000 p.m. as claimed by the Liquidator. It is pertinent to note here that as per Regulation 2A of IBBI (Liquidation Process) Regulations, 2016, the Liquidation cost is to be contributed by the CoC. As far as the Liquidator's fees are concerned, they are to be regulated under Regulation 4 of said regulations. According to Regulation 4(i) the fee payable to the Liquidator shall be in accordance with the decision taken by the CoC under Regulation 39 D of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. In other cases, the Liquidator shall be certified for a fee equivalent to RP in compromise or arrangement U/s 230 of the Companies Act, 2013, and a certain percentage based on the amount of realization and distribution for the balance period of liquidation.
- 6) In the instant case, however, neither any compromise or arrangement could be arrived at U/s 230 of the Companies Act, nor any amount was realized or distributed by the Liquidator. Moreover, the only Claimant is the original applicant / Operational Creditor. Therefore, considering the peculiar circumstances of this case, we direct as under:

- a) The original applicant / Operational Creditor shall reimburse the liquidation cost of Rs.1,09,450/- to the Liquidator, and
- b) A lump sum fee of Rs.1,00,000/- will be paid by the original applicant / Operational Creditor to the Liquidator for performing his duties.
- 7) Upon dissolution, Liquidator shall hand over the record of the Company to IBBI and file confirmation thereof to this Adjudicating Authority.
- 8) Further, Liquidator is directed to communicate a copy of this order to the Authority with which the Corporate Debtor is registered, within 7 days from the date of receipt of copy of this order.
- 9) With the above, IA No.269/2020 stands disposed of.


Dr. Binod Kumar Sinha
Member Technical


Madan B. Gosavi
Member Judicial

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