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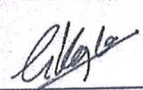
**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**PRESENT: HON'BLE SHRI RATAKONDA MURALI- MEMBER JUDICIAL  
HON'BLE SHRI NARENDER KUMAR BHOLA- MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 26.11.2019 AT 10.30 AM**

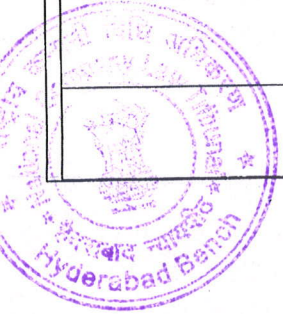
TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA No. 1038/2019 in CP(IB) No.343/7/HDB/2018
NAME OF THE COMPANY	Southern Online Bio- Technologies Ltd
NAME OF THE PETITIONER(S)	Bank of India
NAME OF THE RESPONDENT(S)	Southern Online Bio- Technologies Ltd
UNDER SECTION	7 of IBC

**Counsel for Petitioner(s): Applicant (IA)**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature
RAJASEKHAR GOPALAJOSYULA	Adv	9949998877	

**Counsel for Respondent(s):**

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

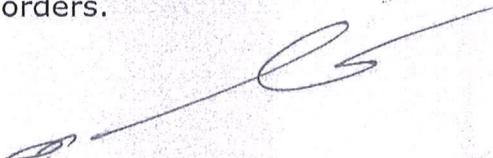


**CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL**

**ORDER**

Orders passed in IA No.1038/2019, vide separate orders.

  
**Member(T)**

  
**Member(J)**

Pavani

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

**IA No.1038 of 2019**  
In  
CP (IB) No.343/7/HDB/2018  
U/s 60(5)(c) of IBC, 2016

**In the matter of Bank of India Vs Southern Online  
Biotechnologies Limited**

**Between:**

Dr.Devaiah Pagidipati  
Beta 409, Jayabheri Silicon County  
Kondapur Post, Madhapur  
Hyderabad- 500084

... Applicant/  
Successful Bidder

**VERSUS**

Southern Online Bio Technologies Limited  
Represented by Liquidator Ms Kalpana G.  
A3, 3<sup>rd</sup> Floor, Office Block, Samrat Complex  
Saifabad, Hyderabad - 500004

.. Respondent/  
Liquidator

**Date of order: 26.11.2019**

**Coram:**

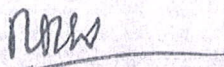
Hon'ble Shri Ratakonda Murali, Member (Judicial)  
Hon'ble Shri Narendra Kumar Bhola, Member (Technical)

**Parties / counsels present:**

For the applicant: Shri S. Chidambaram (PCS)  
Shri Rajasekhar Gopalajosula

For the Respondent: Ms. G. Kalpana (Liquidator)

Heard on: 20.11.2019.





**Per Hon'ble Shri Ratakonda Murali  
Member (Judicial)**

**ORDER**

1. The Company Petition is filed under section 7 of the IB Code, 2016. The present application is filed under section 60(5)(c) of Insolvency & Bankruptcy Code, 2016 by the successful bidder of the E-Auction conducted on 22.10.2019 for sale of Southern Online Bio Technologies Limited (the corporate debtor) as a going concern by the Liquidator, Ms. G. Kalpana. The applicant is the purchaser of the corporate debtor- company as a going concern during liquidation.
2. The applicant/ successful bidder has, inter alia, prayed that
  - (a) he may be permitted to transfer the entire bid amount to the corporate debtor/ liquidator, viz. Rs.45 crore in the form of equity and the balance amount of Rs.6.70 crores in the form of unsecured debt.
  - (b) a direction be issued that after payment of the entire bid amount, the applicant gets all the rights, title and interest in the whole and every part of the corporate debtor including contracts free from security interest, encumbrance, claim, counter claim, or any demur in the applicant and the sale proceeds shall be distributed in accordance with section 53 of the IBC.
  - (c) a direction be issued that upon completion of sale of the corporate debtor as a going concern all the claims or demands made by or liabilities or obligations owned or payable to any actual or potential creditors of the corporate debtor including Government dues



*[Handwritten signature]*

whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed in relation to any period prior to the e-auction date or arising on account of the acquisition of control by the applicant over corporate debtor pursuant to e-auction, will be written off in full and shall stand permanently extinguished.

- (d) a direction be issued that the cases pending/ decreed against the corporate debtor by any court and/ or tribunal and/ or any quasi-judicial authority will not be enforced against the applicant or the corporate debtor.
- (e) a direction be issued that all the existing shares of the corporate debtor shall be extinguished and existing shareholders will become claimants from liquidation proceeds u/s 53 of the Code.
- (f) a direction be issued that upon payment of the entire bid amount, the corporate debtor, without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs.10/- each to the applicant and his associates, which shall constitute 100% of the equity of the corporate debtor, and such allotment shall be deemed to have been made in accordance with applicable laws.
- (g) a direction be issued permitting the applicant to get the shares listed as per the prevailing SEBI guidelines and that the corporate debtor be permitted to bring the public shareholding to 25% within 12 months



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thereafter, in light of Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957, as amended.

- (h) a direction be issued that to show the status of the corporate debtor in the ROC records as 'active' from the status of 'liquidation' and that the listing rights of the corporate debtor be restored and the shares of the corporate debtor allotted pursuant to liquidation process shall get listed on the relevant stock exchanges.
- (i) a direction be issued that upon transfer of the entire bid amount, the Board of Directors of the corporate debtor be re-constituted as per the Companies Act and the SEBI guidelines and that the following individuals be permitted to act as Directors of the corporate debtor duly appointed under the provisions of the Companies Act, 2013, and direct the Registrar of Companies to do all such acts, deeds and things that are necessary to appoint the following individuals as directors of the corporate debtor, who are individuals recommended by the applicant, in order to enable the company to file relevant returns required by applicable law:

Name of the proposed director S/Shri	DIN
Devaiah Pagidipati	05147621
Brijmohan Venkata Mandala	00295323
Yalamanchili Rao Madana Mohana	00745820

- (j) a direction be issued that all subsisting consents, licences, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the corporate debtor or

new

to which the corporate debtor is entitled to shall, notwithstanding any provision to the contrary in their terms, be deemed to continue without disruption for the benefit of the corporate debtor and all additional licences, registrations and consents to operate required by the corporate debtor be made available immediately on payment of the entire bid amount.

- (k) a direction be issued that the corporate debtor shall have a right to review and terminate any contract that was entered into prior to the date of liquidation order.
- (l) a direction be issued that all the benefits availed by the corporate debtor under Special Economic Zone Act, 2005, will be continued to the applicant.
- (m) a direction be issued exempting the corporate debtor from payment of registration fee/ stamp duty and other local levies, taxes, duties with respect to transfer of the bid amount.
- (n) pass an order to provide the applicant 100% exemption on stamp duty and registration fee and all local taxes and levies imposed by the appropriate Governments, applicable in respect of any transaction required to be undertaken pursuant to the e-auction, and taxes thereon.
- (o) a direction be issued that upon completion of sale of the corporate debtor as a whole as a going concern, all the assets specified in Annexure-5 of the complete e-auction process document dated 13.10.2019 shall continue to be the assets of the corporate debtor, towards which the applicant has made payment.



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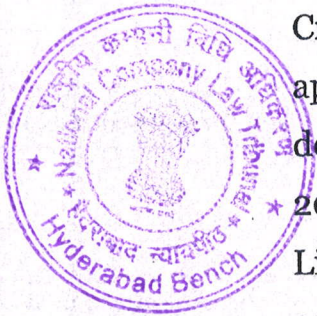
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3. As transpired during the course of hearing of the application on 20.11.2019 the PCS has furnished the names of seven shareholders vide Memo dated 21.11.2019. The names of shareholders read as under:

Sl. No.	Name S/ Shri	Number of shares to be allotted.
1.	Devaiah Pagidipati	4,49,94,000
2.	Rudamma Devi Pagidipati	1,000
3.	Brij Mohan Mandala	1,000
4.	Rajasekhar Gopalajosyula	1,000
5.	Gottipati Venkata Rama Krishna Prasad	1,000
6.	Raghuram Garimella	1,000
7.	Komma Reddy Fatima Reddy	1,000

4. The respondent/ Liquidator has filed Counter Affidavit dated 19.11.2019 stating that the highest amount offered by one of the resolution applicants in the Resolution Plan being Rs.36,08,29,915/- has been rejected by the Committee of Creditors and the respondent has been advised to file an application before this Tribunal to liquidate the corporate debtor. Vide order dated 16.07.2019 passed in IA No.565 of 2019 this Tribunal has appointed the respondent as Liquidator to conduct the liquidation process of the corporate debtor.

5. It is submitted in the counter that three notices of sale dated 05.09.2019, 29.09.2019 and 13.10.2019 scheduling the e-auction on 20.09.2019, 10.10.2019 and 22.10.2019 respectively have been issued. First two auction notices dated 05.09.2019 and 29.09.2019 did not elicit response from the bidders. However, the applicant herein responded to third notice dated 13.10.2019, had participated in the e-auction dated 22.10.2019 and submitted bid of Rs.51.70 crores. In the absence of any other bidder the applicant has

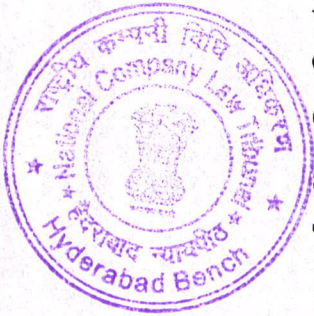


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been declared successful bidder and the applicant has completed all the requisite formalities as the successful bidder.

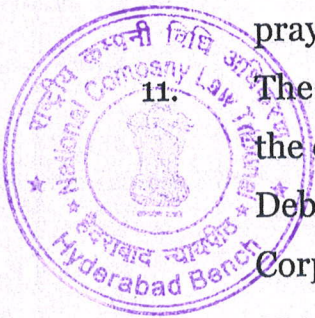
6. It is further submitted in the counter that the stakeholders have decided to sell the corporate debtor as a going concern as the sale price offered by the applicant is far more than the liquidation value and the amount offered by the Resolution Applicant. The respondent therefore, does not have any objection if the Tribunal passes appropriate orders and issues appropriate directions.
7. The Applicant is a successful bidder / purchaser in the auction. We have heard the PCS appearing for the Applicant. The Liquidator filed her reply/counter to the Application. We heard her in person. The PCS for Applicant would contend that Applicant purchased the Corporate Debtor Company as a going concern. The PCS would contend that the Liquidator can sell the assets of the Corporate Debtor during liquidation in any of the modes stated in Regulation 32 of Liquidation Process Regulations. The PCS would contend that the Liquidator is authorised to sell the assets of Corporate Debtor as a going concern. The PCS would contend that the successful bidder purchased the unit as a going concern with a view to run the business and that in order to run the Company as an ongoing concern, the Purchaser/Applicant is entitled to have reliefs stated above.
8. The PCS would contend, the reliefs are required to be granted in favour of the Applicant so as to enable him to run the Company as an ongoing concern. Thus, the reliefs are necessary and essential to run the Corporate Debtor Company as on going concern.



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9. The PCS would contend that the present Application is filed under Section 60 (5) of Insolvency & Bankruptcy Code, 2016. PCS further contended that the Application under Section 60 (5) of IBC can be filed even during liquidation and stated that Section 60 (5) (c) deals with any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.
10. NCLT is the competent authority and has jurisdiction to entertain and dispose of all the matters concerned under Clause 60 (5) (c) of the Code. Learned PCS further contended that the Applicant is entitled to seek reliefs basing on the power given to the Tribunal under Section 60 (5) (c) of IBC. These questions arise during liquidation and hence, it is the Adjudicating Authority to decide the reliefs prayed by the Applicant.



11. The Liquidator has filed counter. She has stated that as per the decision of the stakeholders, the assets of the Corporate Debtor is ordered to be sold as on going concern because Corporate Debtor is having business activities at two places, one at Nalgonda in Telangana State and another located at APSEZ in Visakhapatnam in Andhra Pradesh as such the Liquidator contended that sale of the assets of the Corporate Debtor is not feasible and does not fetch more value and Bio Diesel Plant located in APSEZ avails many benefits under SEZ Act and Rules made thereunder and if the assets are sold by other means like standalone basis, shifting of plant and machinery from the SEZ location to another location attracts heavy duties imposed under SEZ Act. Therefore, it is viable and feasible to sell the asset as an ongoing concern.

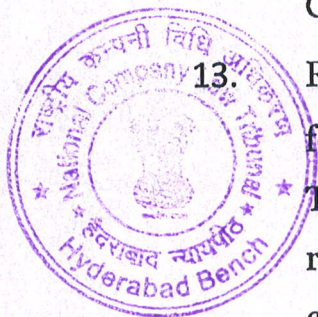
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It will fetch more value. The Liquidator further contended that on two occasions none responded to the e-auction. On the third occasion, the reserve price was fixed at Rs. 51.70 crores and that Applicant submitted the bid for the said reserve price. She also stated that the reserve price is more than the liquidation value and hence the bid was confirmed. Already Applicant has deposited Rs. 5.17 crores and balance to be payable along with taxes, if any.. The Liquidator contended that liquidation value was Rs. 34.23 crores only whereas in the e-auction, the unit was sold at Rs. 51.70 crores.

12. If the Unit was sold during liquidation, IBBI (Liquidation Process) Regulations 2016 would apply to Liquidation process under Chapter-III of Part-II of IBC, whereas when the Corporate Debtor is in CIRP, under Chapter-II of part-II of IBC, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 would apply.

13. Regulation 32 of Liquidation Process Regulations provides for sale of assets of Corporate Debtor as ongoing concern. The object of the Code is not for liquidation but for resolution. In the instant case, the Unit was sold as ongoing concern which is more or less in the nature of resolution of the Corporate Debtor. The Applicant came forward for purchasing the unit as an ongoing concern. The mere purchase of the Unit as ongoing concern without granting certain other reliefs that would be essential and necessary to run the business as an ongoing concern is of no use. In other words, purchasing the Unit as ongoing concern without granting necessary reliefs to the Applicant does not serve the purpose of purchasing the Unit as ongoing concern.



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Most of the reliefs sought for in the Application are in the nature of certain compliances required to be done under the Companies Act, 2013. The Applicant is bound to follow the law laid down under the Companies Act, 2013 since he is the purchaser of the Corporate Debtor Unit as ongoing concern. It is but natural that he is to be granted necessary reliefs in order to enable him to follow the procedure prescribed under the Companies Act, 2013 so as to make the Company as ongoing concern. Section 60 (5) (c) empowers the Adjudicating Authority to grant necessary reliefs even during liquidation.

14. No doubt, Liquidation Process Regulations do not provide for granting specific type of reliefs to the Applicant. However, when Corporate Debtor is being sold as an ongoing concern, naturally the purchaser is entitled for consequential reliefs to achieve the object of running the unit as ongoing concern. Therefore, it is a fit case to grant certain reliefs in favour of the Applicant / purchaser which are more or less in the nature of complying necessary provisions of Companies Act, 2013. Regarding tax reliefs, it is always open to the purchaser to approach the concerned parties and seek reliefs.

15. We will deal with the reliefs prayed for separately. The Applicant requested the Tribunal to allow him to pay the bid amount to the Liquidator i.e. Rs. 45 crores against which new equity capital shall be created by Applicant and the balance amount of Rs. 6.7 crores in the form of unsecured debt. The Liquidator is directed to look into the request of Applicant and accordingly permit the Applicant to pay the bid amount in the form suggest by the Applicant if permissible.



OMW

16. The Applicant further prays that a direction be given that he will be entitled to all rights, title and interest in the whole and every part of the Corporate debtor as soon as payment of balance of bid amount, since Applicant purchased the Unit as ongoing concern and naturally Applicant will be entitled to the Corporate Debtor as a rightful owner on payment of balance of bid amount. There is no need to give any separate direction because it is very much implied that when the Applicant purchased the Company as ongoing concern, he will be the owner and entitled to all the benefits as owner of the Company.
17. The Applicant further prayed a direction that he will be relieved of all the liabilities arising prior to e-auction date or arising on account of acquisition of control over the Corporate Debtor and liabilities to be treated as extinguished which accrued prior to e-auction date. Already Liquidator called for claims. The Liquidator should have received the claims and it is for the Liquidator to look after the claims admitted by her which are to be dealt according to provisions of the Code. In the event if any claim which is stated to be due prior to e-auction, the Applicant is therefore not liable to pay the same and a direction can be given that Applicant is relieved of the liabilities that accrued prior to e-auction date.
18. The Applicant further sought a direction from the Tribunal that any decree passed against the Corporate Debtor by any court, the same will not be enforced against the Corporate Debtor. It is not brought to the notice of the Tribunal that any case is pending against Corporate Debtor. The amount, if any covered by a decree, the person who is obtaining the



decree would have naturally filed a claim before the Liquidator. We already made it clear that it is for the Liquidator to look after the claims filed with her during liquidation.

19. The Applicant further prays that the existing shares of Corporate Debtor shall stand extinguished and existing shareholders will become claimants from liquidation proceeds since Corporate Debtor is sold as ongoing concern. We hold the interest of the existing shareholders of the Corporate Debtor to be dealt by Liquidator under Section 53 of the Code.
20. The Applicant has requested for a direction that the following persons to be allotted shares in the newly created share capital of the Company:-

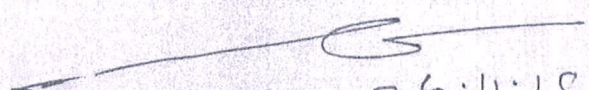
Sl. No.	Name S/ Shri	Number of shares to be allotted of Rs.10/-each (face value)
1.	Devaiah Pagidipati	4,49,94,000
2.	Rudramma Devi Pagidipati	1,000
3.	Brij Mohan Mandala	1,000
4.	Rajasekhar Gopalajosyula	1,000
5.	Gottipati Venkata Rama Krishna Prasad	1,000
6.	Raghuram Garimella	1,000
7.	Komma Reddy Fatima Reddy	1,000

The total allotment of shares 4,50,00,000 at a face value of Rs.10/- each which comes to 100% equity of the Corporate Debtor. Since the Applicant is the purchaser of the Corporate Debtor Unit as ongoing concern, the Applicant is entitled to make allotment of shares as he desires as per the provisions of the Companies Act, 2013 by following the procedure prescribed thereunder.

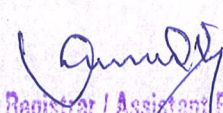
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21. The Applicant is also entitled to list shares as per the provisions of law and also he can make request to RoC concerned to make the Company as active by following the procedure prescribed. It is also open to the Applicant to constitute Board as per Companies Act, 2013 and individuals concerned to act accordingly since Applicant purchased the Unit as ongoing concern.
22. The Applicant is also entitled for benefits which are already given to the Corporate Debtor under Special Economic Zone Act, 2005 and these benefits continue to be enjoyed by the Company under the new management of the Applicant.
23. The Applicant further sought for exemption from stamp duty and tax liability and it is open to the Applicant to approach the concerned authorities and it is for the authorities to consider the request of the Applicant for exemption since Applicant purchased the Corporate Debtor unit as ongoing concern during liquidation.
24. These above reliefs are granted in favour of the Applicant and Application is accordingly disposed of.

  
26.11.19  
**(Narender Kumar Bhola)**  
**Member (Technical)**

  
26.11.19  
**(Ratakonda Murali)**  
**Member (Judicial)**

Karim/Binnu

  
Deputy Registrar / Assistant Registrar / Court Officer  
National Company Law Tribunal, Hyderabad Bench

Case No. CP (IB) No. 343/7/HDB/2018  
Date of Application..... 8/1/2021  
No. of Pages..... 14  
Copying Fee Rs..... 5/-  
Registration & Postage Fee..... -  
Total Rs..... 70/-  
Date of Receipt & Record of Copy..... 8/1/2021  
Date of Preparation of Copy..... 13/1/2021  
Date of Delivery of Copy..... 13/1/2021

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**IA No.196/2020**

**IN**

**CP IB No.343/7/HDB/2018**

*Application filed by the Liquidator under Section 60(5)(c) of Insolvency and Bankruptcy Code 2016, read with Regulation 45 (3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.*

**IN THE MATTER OF M/s SOUTHERN ONLINE BIO  
TECHNOLOGIES LIMITED**

**Between:**

M/S Southern Online Bio Technologies Limited  
#A3, 3<sup>rd</sup> Floor, Office Block,  
Samrat Complex, Saifabad  
Hyderabad – 500004.  
Represented by Liquidator  
Kalpana G

....Applicant/  
Corporate Debtor

AND

Bank of India  
Banjara Hills Branch,  
8-2-8403/4, Ground Floor,  
Road No.4, Banjara Hills,  
Hyderabad-500034.

...Financial Creditor/  
Petitioner

**Date of order: 22.06.2020**

**Coram:**

Hon'ble Shri Ratakonda Murali, Member (Judicial)  
Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

**Appearance:**

For Applicant: Ms. G. Kalpana, PCS

Heard on: 10.06.2020 and 11.06.2020



**PER: SHRI RATAKONDA MURALI  
MEMBER (JUDICIAL)**

**ORDER**

1. This Application is filed under Regulation 45 (3) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 by the Applicant / Liquidator seeking closure of Liquidation process of **M/s Southern Online Bio Technologies Limited / Corporate Debtor.**

2. **AVERMENTS IN THE APPLICATION:-**

The averments apropos to the Application in brief are:-

2.1 This Tribunal vide order dated 5<sup>th</sup> October, 2018 admitted the Company Petition CP (IB) NO.343/7/HDB/2018 filed by Financial Creditor/Respondent herein and Corporate Insolvency Resolution Process against the Corporate Debtor M/s. Southern Online Bio Technologies Limited commenced with effect from 05.10.2018 by appointing the Applicant herein as Interim Resolution Professional who was later confirmed as Resolution Professional. When no resolution plan came forth, the Committee of Creditors in its 14<sup>th</sup> meeting resolved to liquidate the Corporate Debtor. Following which, this Tribunal on 16<sup>th</sup> July, 2019 passed an order in IA No.565/2019 preferred by the Applicant for liquidating the Corporate Debtor Company by appointing the Applicant herein as Liquidator of the Corporate Debtor M/s Southern Online Bio Technologies Limited.

2.2 The Applicant submits that on assuming charge of Liquidator, she issued public announcement in Financial Express, Nava Telangana and Andhra Prabha News Papers on 19<sup>th</sup> July, 2019 inviting claims from the stakeholders as on the Liquidation commencement date on or before 14<sup>th</sup> August 2019.





- 2.3 After collating and verification of the claims, list of stakeholders was filed before this Tribunal as per regulation 31 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and further as required under Regulation 31(2) read with regulation 12(3) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 a public announcement has been made by the Liquidator intimating the public about the filing of the list of stakeholders to this Tribunal. The admission / rejection of the claims was also communicated to all the stakeholders.
- 2.4 The Applicant further submits that the stakeholders consultation committee was formed and conducted its 1<sup>st</sup> meeting on 29.08.2019 wherein after due deliberations the Liquidator was advised to sell the Corporate Debtor as a going concern or to sell the individual business Units of the Corporate Debtor as a going concern. The copy of the minutes of the meeting has been filed in this Tribunal.
- 2.5 Accordingly the sale notice was issued on 5<sup>th</sup> September, 2019 in Sakshi and Business Line newspapers and the date of auction being 20<sup>th</sup> September, 2019. However, no bids are received for the sale notice issued for Corporate Debtor as a going concern or for individual business units of the Corporate Debtor.
- 2.6 After due deliberations in the second stakeholders consultation committee meeting held on 23.09.2019, sale process and reserve price were fixed. The stakeholders resolved to sell the Corporate Debtor as a going concern and accordingly Liquidator issued the sale notice on 29<sup>th</sup> September, 2019 in Financial Express, Namaste Telangana and Andhra Prabha News Papers and the date of auction was fixed on 10<sup>th</sup> October, 2019 and the last date for submission of EMD amount was fixed as 7<sup>th</sup> October, 2019.
- 2.7 The Applicant states since the Liquidator did not receive any EMD amount for the sale of Corporate Debtor as a going concern the e-auction scheduled on 10.10.2019 was cancelled and Liquidator held 3<sup>rd</sup> stakeholders consultation committee



meeting on 11<sup>th</sup> October, 2019. The members of the committee came to a consensus to reduce the reserve price by 5% of the previous action price and fixed the price at Rs. 51.70 crores and issued third sale notice on 13<sup>th</sup> October, 2019 in Business Standard, Namaste Telangana and Andhra Prabha News Papers, and fixed the E-auction date as 22.10.2019.

- 2.8 The Applicant avers, one individual applicant by name Dr. Devaiah Pagidipati deposited EMD amount of Rs. 5.17 Crs in the form of Demand Draft and participated in the E-auction held on 22<sup>nd</sup> October, 2019.
- 2.9 In the 4<sup>th</sup> Stakeholders Consultation Committee Meeting on 23<sup>rd</sup> October, 2019 Dr. Devaiah Pagidipati was declared as successful bidder who handed over the Demand Draft to Secured Financial Creditor, Bank of India / Petitioner and requested to deposit in the Liquidation Account.
- 2.10 Pursuant to e-auction, Letter of Intent was issued on 29.10.2019 to the successful bidder who accepted the same.
- 2.11 The Applicant / Liquidator further submits that a sum of Rs. 41.53 Crores, Rs.2 Crores and Rs. 3 Crores were paid on 28<sup>th</sup> November, 2019, 29<sup>th</sup> November, 2019 and on 4<sup>th</sup> December, 2019 respectively towards sale consideration and paid an interest amount of Rs.55,890/- (Rs.6,575/- for one day and Rs.49,315/- for 5 days) towards delayed payment by the successful bidder.
- 2.12 In the 5<sup>th</sup> Stakeholders Consultation Committee Meeting convened on 30<sup>th</sup> November, 2019, the Liquidator informed the members about receipt of sale proceeds and the order of priority for its distribution as stipulated under Section 53 of IBC, 2016. Further the Liquidator apprised the members about receipt of Rs. 17,54,870/- as refund from the Income Tax Department for the AY 2017-18 that forms part of the Liquidation Proceeds.
- 2.13 It is further submitted that the Liquidator after payment of CIRP costs and Liquidation cost and the Liquidator remuneration, distributed the balance sale consideration as per the order of priority as stipulated in Section 53 of IBC, 2016 and also



received confirmation from the Stakeholders towards receipt the same.

- 2.14 The Liquidator convened 6th Stakeholders Consultation Committee Meeting on 18<sup>th</sup> December, 2019 and informed the members about the issuance of sale certificate to the Successful Bidder and about preferring an Application u/s 66 of the IBC, 2016 to this Tribunal against Ex-directors of the company as per the forensic audit findings.
- 2.15 The Liquidator has issued Sale Certificate to the Successful Bidder on 2<sup>nd</sup> January, 2020. The Applicant submits that since the Corporate Debtor is sold as a going concern in Liquidation, this Application is filed requesting the Tribunal for closure of the Liquidation Process of the Corporate Debtor under Regulation 45(3)(a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
3. We heard the Liquidator and perused the application filed by the Liquidator. She has filed necessary documents along with the application. The Final report is filed vide memo dated 19.02.2020. This IA is filed under Regulation 45 (3) of the Insolvency and Bankruptcy Code, 2016 praying the Adjudicating Authority to order for closure of the liquidation process of the Corporate Debtor Company as liquidation process is complete. The said provision reads as under:-

**“Regulation 45: Final report prior to dissolution.**

*(3) The liquidator shall submit an application along with the final report and the compliance certificate in form-H to the Adjudicating Authority for –*

**(a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or**

*(b) for the dissolution of the corporate debtor, in cases not covered under clause (a)”.*

**“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”.***

4. The Liquidator would contend, pursuant to public announcement for e-auction carried out twice, none came forward for the bidding process. It is only in the third e-auction held on 22.10.2019, Dr. Devaiah Pagidipati participated in the e-auction and was declared as successful bidder. On-going through the facts aforementioned and the material placed along with the Application, it is evident that the assets of Corporate Debtor were sold to Dr. Devaiah Pagidipati for Rs. 51.7 crores as against the average valuation of the Liquidation Estate of the Corporate Debtor as per valuers' report which is @ Rs. 34.23 crores only. The amount was transferred in three instalments i.e. 28.11.2019, 29.11.2019 and 04.12.2019. It is seen from Form-H that the amount of Rs. 51.7 crores plus interest for delayed payment realized from the sale of Liquidation Estate was distributed among the stakeholders as per Section 52 or 53 of the Code. The details of distribution is at page 54 of the Final Report. The successful bidder previously preferred an Application bearing IA No. 1038 of 2019 seeking certain reliefs. This Tribunal vide order dated 26.11.2019 disposed of the Application with certain directions and (or) granting reliefs by citing Regulation 32 of Liquidation Process Regulations which contemplates sale of assets of Corporate Debtor as a going concern, facilitating the successful bidder to purchase the Corporate Debtor/ M/s Southern Online Bio Technologies Limited as a going concern. Further by seeing the final report, it is evident that the Liquidator has sold the Corporate Debtor as a going concern as such it is a fit case for closure of Liquidation process.


5. As a sequel to the above, we hereby order closure of the Liquidation proceedings against the Corporate Debtor viz. **M/s SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** from the date of this Order, in terms of Regulation 45 (3) of Insolvency



& Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Consequently, the Liquidator stands relieved.

6. The Liquidator is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad and hand over all the books and files of the Corporate Debtor **M/s SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** which are in possession of the Liquidator to the successful bidder.
7. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
8. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
9. In terms of the above, IA No. 196 of 2020 filed by the Liquidator appointed for **M/s SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED (Corporate Applicant)** for closure of Liquidation Process of the Company under Regulation 45 (3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 stands disposed of accordingly.

  
(VEERA BRAHMA RAO AREKAPUDI)  
MEMBER (TECHNICAL)

  
(RATAKONDA MURALI)  
MEMBER (JUDICIAL)

binnu

  
By Regr./Asst. Regr./Court Officer/  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति  
CERTIFIED TRUE COPY IA No: 196/2020  
केस संख्या  
CASE NUMBER (P/IB) No: 343/7/HDB/2018  
निर्णय का तारीख  
DATE OF JUDGEMENT... 22/6/2020  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON... 20/7/2020