



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **12.06.2025** THROUGH VIDEO CONFERENCE

PRESENT: HON'BLE SHRI SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF : Bank of India & Nabard
Vs
Vinkem Labs Ltd

MAIN PETITION NUMBER : CP(IB)/676(CHE)/2017
(IA/MA) APPLICATION NUMBERS

IA(IBC)(Liq)13/2025

ORDER

IA(IBC)(Liq)13/2025

Present: Ms. Elamathi, Ld. Counsel for RP along with RP.

Vide separate Order pronounced in Open Court, **the Application is allowed.**

The liquidation is ordered.

Mr. S.Rajendran is appointed as the Liquidator.

**-sd-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)**

MS

**-sd-
[SANJIV JAIN]
MEMBER (JUDICIAL)**

Date: 12.06.2025



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – 1, CHENNAI**

IA(IBC)/LIQ/13/2025

IN

CP(IB)/676/2017

*[filed under Section 33(2) & 33(1) of the Insolvency & Bankruptcy Code,
2016 r/w Regulation 40D of the IBBI (Insolvency Process for Corporate
Persons) Regulations, 2016 and Rule 11 of NCL:T Rules, 2016]*

In the matter of M/s. Vinkem Labs Limited

Mr. S. Rajendran,
Resolution Professional of
M/s. Vinkem Labs Limited,
2nd Floor, Hari Krupa, 71/1, Mc Nichols Road,
(Off Poonamallee High Road), Chetpet,
Chennai-600 031

... Applicant / Resolution Professional

Order Pronounced on 12th June, 2025

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant : *Ms. S. Elamathi, Advocate*
Mr. Vijay V., Advocate

ORDER

(Hearing conducted through VC)



This application IA(IBC)(Liq)/13/2025 has been filed by Shri. S. Rajendran, RP of Vinkem Labs Limited for initiation of Liquidation Process for the Corporate Debtor under Section 33(2) and 33(1) of the Insolvency and Bankruptcy Code, 2016 r/w Regulation 40D of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Rule 11 of NCLT Rules, 2016.

2. Briefly the facts are that the CIRP against Vinkem Labs Limited was initiated by the order of this Tribunal dated 25.09.2024 on an application filed by the Bank of India and NABARD, the Financial Creditors under Section 7 of IBC. Ms. Kavitha Surana was appointed as Interim Resolution Professional ("IRP"). The IRP did the public announcement on 01.10.2024 in Form-A inviting the creditors to submit their claims against the Corporate Debtor. The last date for submission of claims was 09.10.2024. After verification of claims, the IRP prepared a List of Creditors as on 25.09.2024 and filed it before the



Tribunal in IA/2132/2024. The IRP also uploaded the List on the official website of IBBI. The CoC meeting was held on 23.10.2024 where it was resolved to appoint the Applicant herein as the RP. On an application filed under section 22(3)(b) of IBC, the Tribunal appointed the Applicant as the RP vide order dated 20.10.2024 in IA/2190/2024. After the last date for submission of claims, RP received few claims which he verified and collated as per the provisions of the Code and CIRP Regulations. He prepared the list of creditors and submitted a report vide IA/480/2025 which was taken on record by the Tribunal by order dated 24.03.2025.

3. The CoC in the 2nd meeting held on 10.01.2025, advised the RP to publish Form –G inviting Expression of Interest (“EOI”). The Applicant published the Form-G on 20.01.2025. Last date for submission of EOI was 10.02.2025. Six EOIs were received. The RP shortlisted the PRAs in terms of Regulation 36A(10) of CIRP



Regulations. He shared the list to the CoC members on 06.03.2025. He also shared the Information Memorandum and RFRP to the CoC members and the Prospective Resolution Applicants (“PRAs”) after receiving a Confidentiality Undertaking. The last date for submitting the Resolution Plan was 10.04.2025.

4. In the 3rd CoC meeting held on 20.04.2025, the RP informed the CoC members about the expiry of 180 days of CIRP period on 20.03.2025 stating that extension of CIRP period would be required to complete the process to maximise the value of the Corporate Debtor since the last date for submission of the Resolution Plan was 10.04.2025. The CoC with 100% voting, approved the proposal for the extension of CIRP period for a further period of 90 days. The RP accordingly filed an application for extension of the CIRP period in IA/583/2024 which the Tribunal allowed vide order dated 16.04.2025 extending the timeline till 21.06.2025.



5. It is stated that no Resolution Plan was received from any of the PRAs within the specified time. The RP apprised the members of the CoC in the 4th meeting held on 29.04.2025 that the Corporate Debtor was non-operational for past seven years nor held any AP1 (Active Pharmaceutical Ingredient) formulation, Intellectual Property Rights including patents which made the PRAs not to submit the plan. The CoC members deliberated upon the options available and viewed that initiating another round of EOI would be meaningless. Further, there was non-cooperation from the promoter. It was also observed that the Corporate Debtor does not have any plant and machinery or license or any intangible assets. It was decided that the auction of sale of the Corporate Debtor as a going concern, would be a meaningless exercise. The CoC members after detailed discussions and deliberations, decided to liquidate the Corporate Debtor in terms of Regulation 40D of the CIRP Regulations with 98.60% voting share.



6. It is stated that in the above meeting, Shri. S. Rajendran who was acting as RP, offered to act as Liquidator of the Corporate Debtor. Accordingly, resolution was placed as to the fixing of Liquidator's fee and estimated cost of the liquidation for one year. The resolutions were approved with 98.60% voting on 08.05.2025. The Applicant/RP has placed the Minutes of the 4th CoC Meeting along with e-voting results as Annexure-8 (Colly.) along with the copy of his consent to act as the Liquidator as Annexure-9. The extract of the minutes is as under:

"03. To take note of the status of EOI/Resolution Plans and way forward

RP informed the CoC that six Prospective Resolution Applicants had submitted Expression of Interest (EOIs) for the Corporate Debtor.

However, as of the last date for submission of Resolution Plans, i.e., 10th April 2025, no Resolution Plan was received.

He further informed that the Corporate Debtor not being operational for the past seven years and held no API formulation, Intellectual Property Rights or patents, which contributed to the lack of interest



from potential investors. He briefed the CoC members on the options available to the CoC as detailed in the agenda notes and requested the CoC to deliberate and decide on further course of action.

The CoC members were of the view that, given the Company's non-operational status for the past seven years, initiating another round of EOI and related processes would not be meaningful.

RP also informed that in terms of Regulation 40D of CIRP Regulations, the CoC while considering the liquidation of the corporate debtor may consider factors including but not limited to non-operational status for preceding three years, goods produced or services offered or technology employed being obsolete, absence of any assets, lack of any intangible assets or factors which bring value as a going concern over and above the physical assets like brand value, intellectual property, accumulated losses, depreciation, investments that are yet to mature etc.,

After detailed discussions, the CoC members present, holding 98.60% of the voting share, considering factors that the corporate debtor was non-operational for preceding seven years, no API/pharmaceuticals produced or services offered; absence of intangible assets / technology and factoring the present status of plant & equipments in the form of



scrap, available unanimously approved initiation of the liquidation proceedings for the Corporate Debtor by passing the following resolution:

***"RESOLVED THAT** the consent of the Committee of Creditors be and is hereby accorded to liquidate the Corporate Debtor, Vinkem Labs Limited, under the provisions of Section 33(2) of the Insolvency and Bankruptcy Code, 2016, considering the fact that no Resolution Plan was received and that there has been no operations of the Corporate Debtor for the past 7 years, and no intellectual property right or brand value in the possession of the corporate debtor.*

***RESOLVED FURTHER THAT** Mr. S. Rajendran, the existing Resolution Professional be and is hereby recommended to be appointed as the Liquidator of Vinkem Labs Limited and the fee payable to the Liquidator shall be in accordance with the decision of the Committee of Creditors under Regulation 39D of CIRP Regulations or as may be fixed by the Stakeholders' Consultation Committee in its first meeting.*

***RESOLVED FURTHER THAT** Mr. S. Rajendran, Resolution Professional be and is hereby authorised to file necessary application with the Adjudicating Authority intimating the decision of the*



Committee of Creditors to liquidate the corporate debtor and to do all necessary things as may be required to give effect to the above resolutions."

7. We have heard Ld. Counsel for the RP and perused the record, documents, minutes of the CoC recommending liquidation of the Corporate Debtor.

8. The CIRP in the present case against the Corporate Debtor, Vinkem Labs Limited was initiated on 25.09.2024. After verification of claims, the RP prepared the List of Creditors and constituted the CoC. He published Form-G inviting Expression of Interest from the Prospective Resolution Applicants. Although six PRAs submitted EOI but no one filed the Resolution Plan. 180 days CIRP period expired on 23.03.2025. On an application filed by the RP, this Tribunal extended the CIRP period till 21.06.2025.



9. The RP called the 4th CoC meeting on 29.04.2025 where he apprised the members that the Corporate Debtor was not operational for the past seven years. It held no AP1 (Active Pharmaceutical Ingredient) formulation, intellectual property rights including patents. That contributed to lack of interest from the potential investors / Prospective Resolution Applicants. There was also non-cooperation from the Promoters. There was no plant and machinery or license or any intangible assets. The CoC after detailed discussions and deliberations, exploring all the possibilities found that the sale of the Corporate Debtor as a going-concern would not be a meaningful exercise. The CoC members with 98.6% voting, decided to proceed with the liquidation process of the Corporate Debtor and passed the appropriate resolution on 08.05.2025. The CoC members authorised the RP to file the application recommending the name of Mr. S. Rajendran, the Applicant herein to act as the Liquidator who also gave his consent in writing. The CoC also discussed about the fee



payable to the Liquidator and estimated liquidation cost for one year.

The CoC after discussion with the RP, accorded the approval to the estimate of the liquidation costs for a period of 12 months amounting to Rs.25.70 Lakhs (excluding Liquidator fee) as required under Regulation 39B of CIRP Regulations and decided that the total liquidation costs including the Liquidator fees would be contributed by the financial institutions (Bank of India and NABARD) as per their voting share. The RP also gave his consent to act as Liquidator at a reduced fixed fee of Rs.1.50 Lakhs per month plus applicable GST, in addition to the variable fee based on the amount realised and distributed as specified in the table under Regulation 4 of the Liquidation Process Regulations.

10. Considering the record, submissions and the minutes of the CoC held on 29.04.2025 and the fact that there is no possibility of revival of the Corporate Debtor as a going-concern and that the Corporate



Debtor was not operational for the past seven years and it has no AP1 (Active Pharmaceutical Ingredient) formulation, intellectual property rights including patents and that it has no plant and machinery or license nor any intangible assets and further, no Resolution Plan came during the extended CIRP period, **we order for the liquidation of the Corporate Debtor, Vinkem Labs Limited.**

11. In the instant case, the CoC has proposed the name of the Liquidator i.e. Mr. S. Rajendran. He has also given his consent to act as the Liquidator at a fee of Rs.1.50 Lakhs per month plus applicable GST in addition to the variable fee based on the amount realised and distributed as specified in the Table under Regulation 4 of the Liquidation Process Regulations. The CoC has also accorded approval to the estimate of the liquidation costs for a period of 12 months amounting to Rs. 25.70 Lakhs (excluding the Liquidator Fee) and to contribute the total cost including the Liquidator fee as per their voting share.



12. Considering the above, we appoint **Mr. S. Rajendran** with **Reg. No. IBBI/IPA-002/IP-N00098/2017-2018/10241 (AFA valid till 31.12.2025)** as the Liquidator of the Corporate Debtor, to carry out the liquidation process subject to the following terms of the directions.

a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended up to date enjoined upon her.

b) The Liquidator shall issue the public announcement in leading n newspapers having wide circulation, one in English "**Business Standard**" and another in vernacular "**Dinamalar**" that the Corporate Debtor is in liquidation.

c) In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.

d) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and



such other like transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

e) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016. The Liquidator is directed to first explore sale of the Corporate Debtor as the going concern under Regulation 32(e) of IBBI Liquidation Regulations, 2016 or sale of the business of the Corporate Debtor as going concern under Regulation 32(f) and not to seek compromise or arrangement under Regulation 2(B)(i) of IBBI Regulations.

f) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and file its response for disposal of any pending Company Applications during the process of liquidation.

g) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation



commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as is required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.

13. The Registry is directed to communicate this order to the Registrar of Companies, concerned and to the Insolvency and Bankruptcy Board of India.

14. The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.

15. We fix a sum of **Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only)** per month plus applicable GST, in addition to the variable fee based on the amount realised and distributed as specified in the table under Regulation 4 of the Liquidation Process Regulations, to be paid to the Liquidator by the Financial Creditors in equal proportion to



meet the initial expenses to perform the functions assigned to him in accordance with the Regulations.

16. Copy of this order be sent to the Creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor.

17. In terms of the above, **IA(LIQ)/13(CHE)/2025 is disposed of.**

Sd/-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)

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