



**IN THE NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
CUTTACK**

CP (IB) No. 46/CB/2022

In the matter of:

An application under Section 10 of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016;

-And-

In the matter of:

MEDILLOYD MEDICAMENT PRIVATE LIMITED, CIN: U2423OR2012PTC015269 at- Side Lane of SBI Hyderabad Kanika Chhak, Tulsipur, Cuttack- 753014, Odisha;

... Corporate Applicant

-And-

Axis Bank Limited, 1st Floor, Jayashree Plaza, Badambadi, Cuttack, Odisha-753009;

DCB Bank Limited, Ground Floor & First Floor, Plot No. 16, Laxmi Sagar Cuttack Road, Near Flacon House. Bhubaneswar, Odisha- 751006.

... Banks

Coram:

Shri P. Mohan Raj : Member (Judicial)

Shri Satya Ranjan Prasad : Member (Technical)

Appearance:

For Petitioner : CS Saroj Kumar Sahoo

**Order reserved on: 10.01.2023
Order pronounced on: 23.01.2023**

ORDER

Per: Satya Ranjan Prasad, Member (Technical)

1. This application has been filed by **MEDILLOYD MEDICAMENT PRIVATE LIMITED** under Section 10 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP)



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against itself as the Corporate Person is unable to pay its debts. Details in this regard have been placed in the later part of the Order.

2. The Registered Office of the Corporate Debtor is situated at Side Lane of SBI Hyderabad Kanika Chhak, Tulsipur, Cuttack- 753014, Odisha within the jurisdiction of this Adjudicating Authority.
3. The applicant was incorporated on 20.04.2012 as a private limited company with the main objective to manufacture, formulate, process, develop, refine, import, wholesale, retail and trade in all kinds of pharmaceuticals, drugs, medicines, biological, nutraceuticals, healthcare, ayurvedic and dietary supplement products etc.
4. It is stated in the petition that the applicant is one of the contractors and third-party manufacturer of the medicine and also deals as pharma/medicine distributor since last 10 years of business. The applicant has requisite infrastructure to run the business. However, currently the business of applicant completely closed due to seizure of the Competent Authority. Moreover, the promoter/Director were taken in custody on 22.06.2021 and 23.06.2021 by the Crime Branch STF. Both the directors are spouse to each other. Further, due to seizure on 16.06.2022 by the Drug Inspector the business has completely closed. The Competent Authority also on 22.06.2021 cancelled the Drug License. In the meantime, creditor Axis Bank had issued notice under S-13(2) of SARFAISI Act, 2002 and subsequent to notice the same has taken possession under Section 13(4).
5. The applicant has stated that it has a total 2 Financial Creditors (Secured) with an exposure of ₹ 5,66,95,513.63, 3 numbers of Secured Creditors with a total exposure of ₹ 11,00,000/- and 23 numbers of Operational Creditors with an exposure of ₹ 3,28,69,541/-. Following are the list of creditors-

Financial Creditor List:



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Sl. No.	Name of Financial Creditor	Principal Amount	Contingent Liability	Interest	Amount in Default
1	Axis Bank Limited	2,91,95,513.63/-	NIL		2,91,95,513.63/-
2	DCB Bank Ltd.	2,75,00,000.00/-	NIL	NIL	2,75,00,000.00/-

Operational Creditors with Address:

Sl. No.	Name of Operational Creditors	Amount IN (RS.)
1	B.R ENTERPRISES-NEW	13,551/-
2	BIO GENETICA FORMULATIONS HARYANA	5,90,546/-
3	BROAD HEALTH CARE, HARYANA	1,88,628/-
4	BROAD INJECTABLES, HAROLI	14,43,855/-
5	COSMAS PHARMACLS LTD, SOLAN	26,09,603/-
6	COSMAS RESEARCH LAB LTD, SOLAN	37,77,840/-
7	DR. KUMAR' PHARMACEUTICALS-MET, PANCHKULA	2,91,126/-
8	DR. KUMAR, S PHARMACEUTICALS, CHANDIGARH	71,56,944/-
9	DR. KUMARS PHARMACEUTICALS, -UNK CHANDIGARH	60,84,265/-
10	EMBARK LIFESCIENCE PVT.LTD, ROORKEE	2,44,332/-
11	GBK HEALTHCARE, HARIDWAR	25,99,436/-
12	H & G BIOTEC, DEHLI	8,41,110/-
13	J.M. LABORATORIES SOLAN	82,174/-



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14	JMM FORMULATION PVT. LTD. SIRMOUR	21,47,050/-
15	JMM LABORATORIES PVT. LTD. SIRMOUR	20,80,959/-
16	MAK PHARMACEUTICAL-P	85,629/-
17	MAK PHARMACHEM, SOLAN	80,558/-
18	MAX RELIEF HEALTHCARE	10,02,754
19	MEDISAIN LABS, LUDHIANA	4,18,861/-
20	MMPL-MORKSONS PHARMACEUTICLAS, ROORKEE	3,42,601/-
21	MORKSONS PHARMACEUTICLAS PTV. ROORKEE	3,75,158/-
22	SPIDER GRAPHICS CREATIVE AGEN ROHTAK	2,12,561/-
23	WIPNOR LIFESCIENCES SIRMOUR	2,00,000/-

And also, 3 numbers of Secured Creditors like TATA Capital Rs. 2.00 Lakh, Bajaj Fin Serve Rs. 1.50 Lakh, HDFC Car Loan Rs. 7.50 lakh, with total exposure of Rs. 11,00,000/-

6. The applicant submits that it has an excellent track record and infrastructure for the smooth functioning of the business. Therefore, the applicant is confident that it can be revived and rehabilitated under the aegis and supervision of the regime in place under the Code.
7. The Extra Ordinary General Meeting of Members was held on 19.09.2022, and a resolution was passed to approach this Adjudicating Authority for initiation of Corporate Insolvency Resolution Process. Copy of resolution has been annexed with the application and marked as Annexure-3. The applicant has enclosed the copies of Financial Statements for the year 2019-20, and provisional Balance Sheet as on 31.03.2020, copy of notice under Section 13(2), SARFAESI Act, 2002 dated 13.09.2022 issued by the Axis



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Bank Ltd., a copy of charges registered with ROC, List of the Corporate Debtor's assets and liabilities with estimated values and the name & address of the members with the details of the irrespective shareholding. **The petitioner also submitted affidavit of service in registry dated 19.12.2022 with postal acknowledgement under Rule 7(2) of Insolvency and Bankruptcy Application to Adjudicating Authority Rules, 2016.**

8. So, in light of the case's facts, circumstances, and legal situation, we believe that this application, as submitted by the Applicant- Corporate Applicant, must be admitted under Section 10 of the IBC, 2016.
9. The Operational Creditor has proposed Mr. Mr. Umesh Chandra Sahoo as IRP. Therefore, Mr. Umesh Chandra Sahoo is hereby appointed as IRP, as has been proposed by the Operational Creditor. There is no disciplinary proceeding against the IRP as is evident from FORM-2. The IRP is hereby directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under section 15 of I & B Code, 2016 within three days from the date the copy of the order is received and call for submission of claim by the creditors in the manner as prescribed. This application is **ADMITTED** by following orders.

ORDERS

- (i) This application filed by the Corporate Applicant under Section 10 of the Insolvency & Bankruptcy Code, 2016 is hereby **ADMITTED** for initiating the Corporate Insolvency Resolution Process against **MEDILLOYD MEDICAMENT PRIVATE LIMITED** (Corporate Applicant/Corporate Debtor). Moratorium order is passed for a public announcement as stated in Section 13 of the IBC, 2016.
- (ii) The moratorium is declared for the purposes referred to in Section 14 of the Insolvency & Bankruptcy Code, 2016. The IRP shall cause a



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public announcement of the initiation of Corporate Insolvency Resolution Process and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-Section (1) of Insolvency & Bankruptcy Code, 2016 shall be made immediately.

- (iii) Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 prohibits the following: -
- a. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any Court of Law, Tribunal, Arbitration Panel or other Authority;
 - b. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c. Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- (iv) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.
- (v) The provisions of sub-Section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.



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- (vi) The order of moratorium shall take effect the date of admission till the completion of the Corporate Insolvency Resolution Process.
- (vii) At any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.
- (viii) Necessary public announcement as per Section 15 of the IBC, 2016 may be made by the Resolution Professional upon receipt of the copy of this order.
- (ix) Mr. Umesh Chandra Sahoo registered with the ICSI Insolvency Professionals Agency having Registration No. No. IBBI/IPA-002/IP-N00621/2018-19/11855 resident of Nayandarshan Associates, Plot No.4, 2nd Floor Snowdrop Apartment, Cuttack Road, Jharpada, Indian Oil Petrol Pump Bhubaneswar Odisha- 751006 having E-mail Id – info@nayadarshan.com is appointed as Interim Resolution Professional for ascertaining the particulars of creditors and convening a meeting of the Committee of Creditors for evolving a Resolution Plan.
- (x) The Resolution Professional shall conduct CIRP in time bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.
- (xi) The Interim Resolution Professional should convene a meeting of the Committee of Creditors and submit the resolution passed by the Committee of Creditors.



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- (xii) Registry is hereby directed to communicate the order to the Corporate Applicant/Corporate Debtor and to the Interim Resolution Professional by Speed Post as well as through E-mail.
- (xiii) Interim Resolution Professional to file 1st progress report on 27.02.2023.
- (xiv) Let the certified copy of the order be issued upon compliance with requisite formalities.

SATYARANJAN PRASAD

Digitally signed by SATYARANJAN
PRASAD
Date: 2023.01.23 15:43:07 +05'30'

Satya Ranjan Prasad
Member (Technical)

PANDIAN
MOHAN RAJ

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MOHAN RAJ
Date: 2023.01.23 16:12:25 +05'30'

P. Mohan Raj
Member (Judicial)

Signed this 23rd day of January, 2023.

Ravijeet_P.S.