



S. No. 6

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
12-09-2022 AT 10:30 A.M. THROUGH VIDEO CONFERENCE.

IA (IBC)/619/2022 in CP (IB) No. 155/9/HDB/2021

U/s 9 of IBC, 2016

IN THE MATTER OF:

Jai Corp Ltd

... Operational Creditor

Vs

G S Oils Pvt Ltd

... Corporate Debtor

CORAM:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)

SH. VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (TECHNICAL)

ORDER

IA (IBC) 619/2022:-

1. This is an application filed by the RP for seeking approval of Liquidation process of the Corporate Debtor. Learned RP, Mr. G Murali and Learned Counsel, Ms. Mummaneni Vazra Laxmi are present.

2. The Ld. Counsel for the Resolution Professional submitted that despite issuing Expression of Interest in Form-G and granting extension twice, the Resolution Professional failed to receive any resolution plans. As such, the Resolution Professional in the 5th CoC meeting held on 20.05.2022, apprised the CoC to either seek extension of CIRP by 90 days or to go for liquidation. One of the Financial Creditors i.e. State Bank of India suggested for liquidation. Accordingly, the CoC with 96.61% voting rights approved to liquidate the Corporate Debtor. We have gone through the resolutions passed in the said meeting as per Regulations 39B, 39C and 39D.

3. Therefore, the Point that emerges for consideration by this Tribunal is:

- Whether liquidation of the Corporate Debtor can be ordered in this case?

4. Heard the Ld. Counsel for Resolution Professional and perused the records.



5. That apart, in spite inviting EoI twice this Adjudicating Authority could not receive Resolution Plan and further the members of CoC holding 96.61% voting rights have decided to liquidate the Corporate Debtor, in exercise of powers conferred under Sub-Clauses (i), (ii) and (iii) of Clause (b) of Sub-Section (1) of Section 33 of the I&B Code, 2016, the Tribunal proceeds to pass the following order:

(A) This Adjudicating Authority hereby orders for liquidation of M/s G S Oils Ltd, the Corporate Debtor herein, which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;

(B) This Adjudicating Authority hereby appoints Shri Gonugunta Murali (Reg. No. IBBI/IPA-001/IP-P00654/2017-18/11139 as Liquidator who has given his consent to act as Liquidator in the present case. He shall issue a public announcement stating therein that the Corporate Debtor is in Liquidation;

(C) The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;

(D) Subject to Section 52 of the I&B Code, 2016, 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., Shri Gonugunta Murali.

(H) In addition to this, the Company Liquidator shall exercise powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, read with 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 by him 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 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 Company Liquidator shall be entitled to charge such fee for conducting the liquidation proceedings in such a proportion to the value of the Liquidation estate assets as specified by the Board under Regulation 4(3) of IBBI (Liquidation Process) Regulations, 2016. Accordingly, the fees for conducting the Liquidation



proceedings shall be paid to the Company Liquidator from the proceeds of the Liquidation estate.

(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, Shri Shri Gonugunta Murali for information and compliance.

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

6. In terms of the above, *IA No.619/2022 In CP (IB) No.155/9/HDB/2021 filed* by the Resolution Professional under Section 33(1)(a) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., **M/s G S Oils Limited** stands **disposed of**.

Sd/-

MEMBER(T)

Sd/-

MEMBER(J)