

BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD  
Court Room-2

3578  
12/12/2020

IA 41 of 2020 in C.P. (LB) No.582/NCLT/AHM/2018


Coram: HON'BLE Ms. MANORAMA KUMARI, MEMBER JUDICIAL  
HON'BLE Mr. CHOCKALINGAM THIRUNAVUKKARASU, MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH  
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 10.02.2020

Name of the Company: Bhupendra Singh Narayan Singh Rajput  
RP For Terrene Pharma Pvt Ltd  
V/s  
COC & Ors

Section of the Companies Act: Section 33(1), 33(2), 34(1) of the Insolvency and  
Bankruptcy Code

**S.NO. NAME (CAPITAL LETTERS) DESIGNATION REPRESENTATION SIGNATURE**

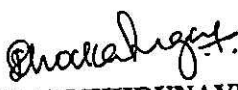
1.	Rachna Postole for Natasha D. Shah	Adv.	Applicant	
2.				

**ORDER**

The Applicant is represented through learned counsel.

The order is pronounced in the open court vide separate sheet.



  
CHOCKALINGAM THIRUNAVUKKARASU  
MEMBER TECHNICAL

  
MANORAMA KUMARI  
MEMBER JUDICIAL

Dated this the 10th day of February, 2020

**BEFORE THE ADJUDICATING AUTHORITY  
(NATIONAL COMPANY LAW TRIBUNAL)  
AHMEDABAD BENCH  
AHMEDABAD**

I.A. No. 41 of 2020  
in  
CP(IB) No. 582 of 2018

**In the matter of:**

Mr. Bhupendra Singh Narayan Singh Rajput,  
Resolution Professional of  
Terrene Pharma Pvt. Ltd.

...Applicant

**Versus**

Committee of Creditors & Ors.

... Respondent

**Order delivered on 10<sup>th</sup> February, 2020**

**Coram: Hon'ble Ms. Manorama Kumari, Member (J)  
Hon'ble Mr. Chockalingam Thirunavukkarasu, Member (T)**

**Appearance:** Advocate Ms. Rachna Pastore for Advocate Ms. Natasha D. Shah.

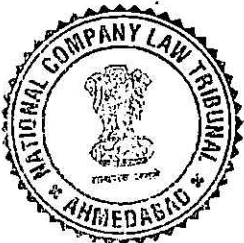
**ORDER**

**[Ms. Manorama Kumari, Member (J)]**

1. The Applicant, Resolution Professional of the Corporate Debtor filed the instant IA No. 41 of 2019 in the aforesaid Company Petition (IB) No. 582 of 2018 for liquidation of the Corporate Debtor under section 33(1), 33(2) and 34(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as "IB Code") and for the appointment of the Liquidator.

2. The facts of the case are stated herein:

2.1 CP(IB) No. 582 of 2018 filed by Operational Creditor, namely Raymon Patel Gelatine Pvt. Ltd. against the Corporate Debtor viz., Terrene Pharma Pvt. Ltd., under Section 9 of the IB Code, seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred as "CIRP") which was admitted by this Adjudicating Authority vide its Order dated 14.08.2019 and appointed the Applicant, Mr. Bhupendra



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Singh Narayan Singh Rajput as Interim Resolution Professional (hereinafter referred as "IRP") of the Corporate Debtor.

- 2.2 It is stated in the application that Committee of Creditors (hereinafter referred as "CoC") in its First Meeting held on 13.09.2019 decided for continuation of the IRP as Resolution Professional (hereinafter referred as "RP").
- 2.3 It is stated by the applicant that RP has made all his endeavours and due diligence to invite Resolution Plans applying the provisions as provided in the IB Code and its regulations but no viable Resolution Plans are received. Since the Corporate Debtor has no running business and the assets of the Corporate Debtor are much lesser than the amount of debt, hence there is/are no possibility of getting any prospective Resolution Plan(s). As such, RP moved this application before the Adjudicating Authority for passing an order under section 33 of the IB Code for liquidation of the Corporate Debtor.

3. Heard the applicant and also seen the records, it is found that no viable and feasible Resolution Plan has been received so far and Corporate Debtor has no running business. Therefore, the CoC has resolved for liquidation of the Corporate Debtor vide its 3<sup>rd</sup> meeting dated 12.12.2019. It is also to be noted that this Adjudicating Authority has no jurisdiction to interfere in the commercial wisdom of the CoC as observed in **K. Sasidhar's** case and subsequently also reiterated by Hon'ble Supreme Court of India in its judgement passed in Civil Appeal No.8766-67 of 2019-**Committee of Creditors of Essar Steel India Limited through Authorised Signatory vs. Satish Kumar Gupta & Ors** observed as follows:

*"The commercial wisdom of the Committee of Creditors cannot be interfered into by the Adjudicating Authority. The Hon'ble Supreme Court affirmed K. Sashidhar's judgement that neither the Adjudicating Authority nor the Appellate Authority has been endowed with the jurisdiction to reverse the commercial wisdom of the CoC.*



*Shera higgs*

*Abhinav*

*The Hon'ble Supreme Court took the view that the commercial wisdom has been exercised by the CoC after taking into count all the factors leading to maximisation of asset value of the Corporate Debtor, but the ultimate discretion of what to pay and how to pay each class or sub-class of creditors lies with the CoC."*

4. Under the facts and circumstances as narrated above, we pass the following orders:

- a) The moratorium declared under Section 14 of the IB Code shall cease to have effect from the date of the order of liquidation.
- b) The Liquidator is further directed to issue public announcement stating that the Corporate Debtor is in liquidation.
- c) The Liquidator is required to send certified copy of this order to the authority with which the Corporate Debtor is registered.
- d) Subject to Section 52 of the IB Code, 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) This Authority makes it clear that para (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) The 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



*Shankar*

to have effect and shall be vested with the Company Liquidator. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the IB Code, 2016, read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

- h) The personnel of the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor.
- i) The Company Liquidator shall be entitled to charge such fee for the conduct of the liquidation proceedings in such a proportion to the value of the liquidation estate assets as may be specified by the Board.
- j) The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, registered office of the Corporate Debtor and Company Liquidator for information and compliance
5. Hence, the IA 41 of 2020 in CP(IB) 582 of 2018 so filed by the RP under Section 33(1), 33(2) and 34(1) of the IB Code, 2016 is allowed and the Adjudicating Authority passes an order for initiation of liquidation of the Corporate Debtor viz., Terrene Pharma Pvt. Ltd. The RP i.e. Mr. Bhupendra Singh Narayan Singh Rajput, shall act as the Liquidator for the purpose of liquidation of the Corporate Debtor.
6. Accordingly, the instant IA is allowed and stands disposed of with the above observations.

*Chockalingam*

**CHOCKALINGAM THIRUNAVUKKARASU**  
Adjudicating Authority  
Member (Technical)



*Manorama*

**MANORAMA KUMARI**  
Adjudicating Authority  
Member (Judicial)

Certified to be True Copy of the Original

*[Signature]*  
Deputy Registrar  
NCLT, Ahmedabad Bench  
Ahmedabad