



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT V**

**I.A. 310 OF 2023
IN
CP (IB) -1023/I&B/MB/2021**

Under Section 33(2) of the Insolvency &
Bankruptcy Code, 2016

Filed by
Mr. Vijendra Kumar Jain
Resolution Professional for:
M/s Gajanan Solvex Limited

...Applicant

In the matter of
State Bank of India

...Financial Creditor/Petitioner

Versus

Gajanan Solvex Limited

...Corporate Debtor

Order delivered on: 01.03.2023

Coram:

Hon'ble Shri Kuldip Kumar Kareer, Member (Judicial)
Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

Appearance:

For the Applicant: Manish Jha, Advocate

Per: Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The above application I.A. No. 310/2023 is filed by Resolution Professional, **Mr. Vijendra Kumar Jain** (hereinafter referred to as the "Applicant") seeking liquidation of Gajanan Solvex Limited (hereinafter referred to as the



“Corporate Debtor”) under Section 33(2) of the Insolvency and Bankruptcy Code, 2016 (hereinafter called as “**the Code**”), praying for following reliefs:

- a. That this Hon’ble Tribunal be pleased to order and direct that the Corporate Debtor be ordered and directed to go under liquidation as per Section 33(2) of the Insolvency and Bankruptcy Code 2016;*
- b. For such other and further reliefs as this Hon’ble Tribunal may deem fit in the facts and circumstances of the present case.*

2. The brief facts of the application are as follows:

- a. The Applicant mentioned that this Tribunal vide its order dated 20.07.2022 in Company Petition (IB) No. 1023 of 2021 admitted the Petition under Section 7 of the Code, filed by State Bank of India (hereinafter referred to as the “Financial Creditor”) and Corporate Insolvency Resolution Process (hereinafter referred to as the “CIRP”) was initiated against Gajanan Solvex Limited. Mr. Vijendra Kumar Jain herein was appointed as the Interim Resolution Professional (hereinafter referred to as the “IRP”) of the Corporate Debtor by this Tribunal vide this Order dated 20.07.2022.
- b. On 18.08.2022, in the first meeting of the Committee of Creditors (hereinafter referred to as the “CoC”) the Applicant was appointed as the Resolution Professional which is approved by 100% members voting in favour of the same.
- c. The Counsel for the Applicant states that an advertisement, inviting Expression of Interest (EoI) in Form G was published on 11.09.2022 in Financial Express (English Newspaper), Navshakti (Marathi Newspaper), respectively, 26.09.2022 being the last date for receipt of Expression of Interest and last date of submission of Resolution Plan was 15.11.2022. Thereafter, only 3 EOIs were received by the Applicant which was from 1. Rayalaseema Steel Re-rolling Mills Private



Limited, 2. Leelottam Industries Private Limited and 3. Labhanshi Multitrade Private Limited till the last date of submission of the Resolution Plan.

- d. The counsel for the Applicant submits that in the 3rd CoC meeting held on 29th September, 2022, the members of the CoC suggested that in order to maximise the value, more EOIs may be invited by issuing a fresh Form G in newspapers. Accordingly, a fresh Form G was issued on 7th October 2022 in Financial Express in English, Navshakti in Marathi and Indore Mahanagar in Hindi.
- e. The Applicant further submits that the 3 EOI's received in response to the earlier issue of Form G were informed that their EOI's shall be considered under a fresh issue. However, no new EOI were received in response to fresh Form G. Accordingly, the 3 EOI's received earlier were considered and provisional list was issued on 31st October, 2022 followed by the final list issued on 15th November, 2022.
- f. The Applicant submits that in the 5th CoC meeting held on 7th December, 2022, the applicant informed the CoC that out of the 3 PRAs, one Leelottam Industries Private Limited have withdrawn the interest for submission of Resolution Plan and other two PRAs have requested for an extension of time for submission of the Resolution Plan and the CoC has approved the same.
- g. The Applicant further submits that on the last date of the extended period for the submission of the Resolution plan, the other two PRAs i.e. Labhanshi Multitrade Private Limited and Rayalaseema Steel Re-rolling Mills Private Limited also withdrew their interest in submission of the Resolution Plan.
- h. On 23rd December, 2022, the 6th CoC meeting was called for to appraise about the withdrawal of interest by all the three PRAs to submit their Resolution Plan for the Corporate Debtor. Accordingly,



due to non-receipt of any plan the CoC members passed the resolution with **98.87 %** majority for the liquidation of the Corporate Debtor company. The relevant paras of the resolution is reproduced below;

“RESOLVED THAT the Members of the CoC hereby approve the Liquidation of the Corporate Debtor, M/s. **Gajanan Solvex Limited”**

“RESOLVED FURTHER THAT Mr. Vijendra Kumar Jain, Resolution Professional of the Corporate Debtor be and is hereby authorised to file the Liquidation application before the Hon’ble NCLT”

3. Heard the counsel appearing for the Resolution Professional and perused the record. The counsel for the RP submits that no Resolution Plan has been received and there is no option except to put the Corporate Debtor Company into Liquidation as per the Code. In view of the above facts, this Bench feels that this is a fit case for ordering Liquidation of the Corporate Debtor. Accordingly, the Interlocutory Application Number 310 of 2023 is allowed directing Liquidation of the Corporate Debtor. Accordingly, we pass the following:

ORDER

1. The above I.A. No. 310/2023 is allowed and the Corporate Debtor M/s Gajanan Solvex Limited is ordered to be liquidated.
 - a. **Mr. Ram Singh Setia**, having Registration No. IBBI/IPA-001/IP-P01189/2018-2019/11935 and having office at: 203, Tower 2, Crescent Bay, Jerbai Wadia Road, Parel, Mumbai- 400012 is hereby appointed as the Liquidator as provided under Section 34(1) of the Code.



- b. That the Liquidator for conduct of the liquidation proceedings would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016.
- c. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- d. The Liquidator appointed under section 34(1) of the Code. Will have all 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 with the liquidator.
- e. That the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to the ROC under which this Company has been registered.
- f. All the powers of the Board of Directors, key managerial persons, the partners of the Corporate Debtor hereafter ceased to exist. All these powers henceforth vest with the Liquidator.
- g. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.



- h. That on having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority.
- i. This liquidation order shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.

With the above directions, this application i.e. I.A. No. 310 of 2023 is hereby allowed and disposed of.

SD/-

Anuradha Sanjay Bhatia
Member (Technical)

SD/-

Kuldip Kumar Kareer
Member (Judicial)