

Information about distribution of sale proceeds

(In the matter of Sterling Biotech Limited)

This is with respect to the Liquidation of Sterling Biotech Limited (Corporate Debtor). In this regard, it may kindly be noted that the Successful Bidder has made payment of Full Consideration of Rs. 6,38,00,00,005 towards the sale of Corporate Debtor as going concern.

Further, it may be noted that the said proceeds from the sale of the liquidation assets was required to be distributed among the stakeholders in the order of priority as specified in the provisions of the Section 53 of the Insolvency and Bankruptcy Code, 2016 (Code).

In light of the provisions of Section 53 of the Code, after the payment of the insolvency resolution process costs and the liquidation costs, the following debts shall rank equally between and among the following stakeholders (Refer Section 53(b) of the Code):

Section 53(1)(b) the following debts which shall rank equally between and among the following:

- (i) workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and*
- (ii) debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;*

It is pertinent to note that as per the List of Stakeholders Version 2.0 drawn 14.02.2022, there is no due towards workmen for the period of twenty-four months preceding the liquidation commencement date; and an amount of Rs 61,71,49,37,127.49 is the total debts owed to a secured creditors who has relinquished security in the manner set out in section 52 of the Code.

Hence, in terms of order of priority as specified in the provisions of the Section 53 of the Code, proceeds from the sale of the liquidation assets, has been distributed among the secured creditors who have relinquished security, subject to the payment of the insolvency resolution process costs and the liquidation costs.
