



**IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD**  
**COURT - 2**

ITEM No302  
CP(IB)/104(AHM)2022

**Proceedings under Section 59 IBC r.w Reg 38 of IBBI, 2017**

**IN THE MATTER OF:**

KPS Systems Private Limited

.....Applicant

.....Respondent

**Order delivered on 06/07/2023**

**Coram:**

Mr. Shammi Khan, Hon'ble Member(J)

Mr. Ajai Das Mehrotra, Hon'ble Member(T)

**ORDER**

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

-Sd-

**AJAI DAS MEHROTRA  
MEMBER (TECHNICAL)**

-Sd-

**SHAMMI KHAN  
MEMBER (JUDICIAL)**



**NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD  
(COURT NO. II)**

**CP (IB)/104/2022**

[Application under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with the Regulation 38 (3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017) for dissolution of the Corporate Person]

**In the Matter of:**

**Mr. Manish S. Buchasia,  
Liquidator of  
KPS Systems Private Limited**

**...Applicant/  
Liquidator**

**AND**

**In the Matter of:**

**KPS Systems Private Limited,  
(CIN- U72200GJ2005PTC045801)  
Office of Liquidator:  
Gala Mart Nr. Sobo Centre, before Safal Parisar,  
S Bopal Main Road, Bopal, Gujarat.**

**...Corporate Person**

**Order Pronounced On: 06/07/2023.**

**Coram:**

**SHAMMI KHAN,  
HON'BLE MEMBER (JUDICIAL)  
AJAI DAS MEHROTRA,  
HON'BLE MEMBER (TECHNICAL)**

**MEMO OF PARTIES**

**CP (IB)/104/2022**

**Mr. Manish S. Buchasia,**  
**Liquidator of**  
**KPS Systems Private Limited**  
CIN- U72200GJ2005PTC045801)  
Office of Liquidator:  
Gala Mart Nr. Sobo Centre, before Safal Parisar,  
S Bopal Main Road, Bopal, Gujarat.

**...Applicant/  
Liquidator**

**Present:**

For the Applicant : Mr. Manish Buchasia PCS and Mr. Pankaj Shah  
CA.

For the Income Tax  
Department : Ms. Pankti Shah Advocate for Ms. Maithili Mehta  
Advocate

**ORDER**

1. The instant Application has been filed by M/s. KPS Systems Private Limited, ('Company') through the liquidator for dissolution of the Corporate Person through voluntary liquidation under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 ('Code') read with regulation 38(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 ('IBBI Regulations').
2. The Company was incorporated as a Private Limited Company under the provisions of the Companies Act, 1956 on 01.04.2005, bearing CIN- U72200GJ2005PTC045801 and having registered office at 5 Nirgun Bunglow

Nr. Super Society, Ramdevnagar, Satellite, Ahmedabad, Gujarat- 380015. The Authorized share capital of the Company is Rs. 50,00,000/- divided into 5,00,000 equity shares of Rs.10/- each and the issued and paid-up share capital of the Company is Rs. 49,50,000/- divided into 4,95,000 equity shares of Rs. 10/- each.

3. The main objects of the Company were to promote, encourage, establish, develop, maintain, organize, manage, operate, import, export and conduct various personal computers, networking servers, unix base systems, peripherals, networking componenets along with operating systems, RDBMS and necessary systems, software solutions on the net, development of portals, B2B solutions, commerce and supply chain activities between manufacturers, distributors, resellers, customers and retailers, e-commerce enabling, websites/on-line shopping, internet consulting and to undertake business of outsourcing of various datas overseas and export of softwares and to carry on the business of all type, style and nature of business of developing website, BPO, customer service centre and call centres in India and abroad. A copy of the Memorandum of Association and Article of Association of the Company and a copy of Master Data, as available from the website of the Ministry of Corporate Affairs, is annexed with the application.
4. It is submitted by the applicant that the Board of Directors of the company considered to close down the company by way of voluntary liquidation because

of lack of business prospects and non-availability of long term financial resources for the company. They were of the opinion that it is not financially viable to carry on the business of the company.

5. Pursuant to the minutes of the meeting of BODs held on 25.03.2021, all directors of the company have submitted the Declaration of Solvency Affidavit dated 30.03.2021 collectively that they have made full inquiry into the affairs of the Company and formed an opinion that the Company has no debts which cannot be paid off, and the statement of assets and liabilities annexed to the declaration of solvency is correct. They appended a statement of the company's assets and liabilities as at 31<sup>st</sup> March 2020, being the latest practicable date before the making of this declaration. They stated that the company is not being liquidated to defraud any person. Copies of the Declaration of Solvency Affidavit is annexed with the application. Audited financial statements of the Company for the year 2018-19 & 2019-20 are also annexed with the application.
6. The company filed form GNL-2 with the Registrar of Companies vide SRN No. T11683031 on 05.04.2021. A copy of the said document is also annexed with the application.
7. In their Extra Ordinary General Meeting ('EOGM') of the members, held on 05.04.2021, a special resolution was passed and it was resolved to voluntarily liquidate the Company. Further, it was resolved to appoint Mr. Manish S.

Buchasia, Insolvency Professional with Registration No. IBBI/IPA-002/IP-N00487/2017-18/11449 to act as the Liquidator. A copy of the minutes of the EOGM is annexed with the Application & a copy of the consent affidavit of liquidator is also annexed with application.

8. The Corporate Person had notified the Registrar of Companies (ROC), Ahmedabad on 06.04.2021 about appointment of liquidator through filing of GNL-2 (SRN No. T11967799) and had also intimated the Insolvency and Bankruptcy Board of India (IBBI), New Delhi about the passing of a Special Resolution under sub-section (3) of Section 59 of the IBC to liquidate the Corporate Person. A Copy of Form MGT-14 (SRN No. T11988359) dated 06.04.2021 to the ROC and a copy of GNL-2 and letter to the Insolvency and Bankruptcy Board of India are annexed with the Application. The applicant has also sent the intimation of commencement of voluntary liquidation and appointment of liquidator to Income Tax Department on 13.04.2021 through e-mail, copy of the same is annexed with the application.
9. The liquidator made a public announcement of the commencement of liquidation in Form A of Schedule I as per Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 in the English language and Gujarati language in the "Financial Express" (Ahmedabad Edition), dated April 8, 2021, inviting claims from stakeholders in respect of the corporate person as on the date of commencement of

liquidation, i.e., April 5, 2021. A copy of the newspaper advertisement for the said public announcement is annexed with the application.

10. The applicant has opened a bank account as required under regulation 34(1) of IBBI Regulations in HDFC Bank, Navrangpura Branch, Ahmedabad (Gujarat) for the receipt of all moneys due to the corporate person.
11. The Liquidator had submitted a Preliminary Report prepared on 10.05.2021, and relevant part of the said report is reproduced below:-

“The estimates of its assets and liabilities as on 05/04/2021 based on the books of the Company :

<b>Assets</b>	<b>Book Value (Rs.)</b>	<b>Estimated to realize (Rs)</b>
Balance at Bank	1883750.53	1883750.53
Cash in hand	96360.78	96360.78
Investments	3819851.44	3819851.44
Unsecured Loans	0	0
Trade Receivables	0	0
Loans & Advances	7846	7846
Other Current Assets	75737.60	75737.60
<b>Total</b>	<b>5796822.65</b>	<b>5796822.65</b>

<b>Liabilities</b>	<b>Estimated to rank for payment (to the nearest rupee)</b>
Other current liability	58250
<b>Total</b>	<b>58250</b>

12. The liquidator prepared and submitted a final report as required under regulation 38 of the IBBI regulation, 2017 on 24.03.2022, detailing the liquidation process being conducted. It is further stated in the final report that there are no assets left which are realizable. All the realizable assets of the company have been disposed by the liquidator in a proper manner. There are no creditors/debtors in the company. No litigation is pending against the corporate person. The affairs of the Company have been completely wound up and all the assets have been completely liquidated. The said final report of Liquidation has been submitted to the Registrar of Companies in form GNL-2 vide SRN T90736455 on 25.03.2022 and the said report also has been submitted to IBBI through e-mail on 26.03.2022. A copy of the final report is annexed with the application. The details of the final distribution are as follows:-

<b>FINAL DISTRIBUTION</b>				
<b>KPS SYSTEMS PRIVATE LIMITED</b>				
<b>FINAL REPORT AS ON 15.03.2022</b>				
<b>Receipts</b>	<b>Estimated value(DOS) Rs</b>	<b>Actual Amount realized Rs</b>	<b>Payments</b>	<b>Amount Rs</b>
Bal with Bank	1883750.53	488490.43	Auditor Fees	0
Cash in hand	9636.78	0	Bank Charges	0
Trade receivable	0	0	ROC Fees	5260
Loans and advances	7846.3	21464.89	Profesional Tax	2000
Stock in trade	0	0	Liquidator Fees including GST	59000
Accured interest	0	18599.4	Liquidation Cost	0
Non Current Investment	0	0	Legal Expenses	13500
Current Investment	3819851.44	5357333	Legal Consultant (NCLT)	118000
Plant & Machinery	0	0	Miscellenous Expenses	1096.56
Freehold property	0	0	Income Tax & Interest on Tax	54281.16
Other property (FDR)	0	1520000	Unsecured loan repaid	0
Other current assets	75737.6	0	Distribution to Shareholder	7152750
<b>Total</b>	<b>5796822.65</b>	<b>7405887.72</b>		<b>7405887.72</b>
<b>Distribution to equity Shareholders</b>				
<b>Distribution to equity Shareholders</b>	<b>Rs</b>	<b>No of Share</b>	<b>Payments</b>	<b>Amount Rs</b>
Distribution to equity Shareholders	7152750.00	30000	KAUMIR SHAH	433500
		282000	SUBHASHBHAI M SHAH	4074900
		33000	KAUMIR SHAH HUF	476850
		150000	PRAVINABEN SHAH	2167500
<b>TOTAL</b>	<b>7152750.00</b>	<b>495000</b>		<b>7152750</b>

13. The liquidator filed this application on 08.04.2022 and notice was issued by Adjudicating Authority to the ROC, and Income Tax Department on 21.04.2022. In pursuant to said order, the liquidator filed an affidavit of service on 25.04.2023.
14. The Income Tax Department filed their report on 27.04.2022 and stated that no demand is pending against the corporate person. It is also recorded in the daily order dated 21.04.2023 that Learned counsel for the Income Tax Department was present and stated that there is no outstanding demand against the corporate person and that they have no objection to the acceptance of present Application.

Despite several opportunities given to the RoC to appear in the said matter, none appeared on behalf of the RoC and no reply has been filed till date by RoC. (Refer daily orders dated 21.04.2022, 31.05.2022, 21.07.2022, 01.03.2023, 21.04.2023, 02.05.2023)

15. As per Regulation 34 of IBBI Regulations, the Liquidator had maintained a current account in the name and style of “Liquidation AC KPS Systems Pvt. Ltd.” in the HDFC Bank, Navrangpura Branch since 21.08.2021 during the liquidation and enclosed the statement of account from 01.01.2022 to 19.02.2022 and 01.03.2022 to 15.03.2022. A copy of the bank statement is annexed with the petition. The applicant has submitted copy of bank account closure letter with the application.
16. Heard submissions and perused the documents annexed to the petition. It is seen that assets of the company have been completely liquidated. The affairs of the company have been wound up. This petition complies with the provisions of Section 59(7) of the Code.
17. Necessary compliances as per provisions of the Code have been made by the Corporate Person and the Liquidator. In exercise of the powers conferred under sub-section (8) of Section 59 of the Insolvency and Bankruptcy Code, 2016, the application is allowed with the following directions:-
  - i. This Adjudicating Authority in exercise of powers conferred to it under Section 59(8) of the IBC, 2016 orders that the Corporate Person

(Applicant Company) M/s. KPS Systems Private Limited having CIN U72200GJ2005PTC045801 stands dissolved from the date of this Order.

- ii. The Liquidator is directed to file copy of this order with the concerned Registrar of Companies, Income Tax Department, and IBBI within 14 days from the date of receipt of an authentic copy of this order, for information and necessary action.
  - iii. The Liquidator is also directed to file copy of this order with all other Statutory Authorities connected with the affairs of the Company.
  - iv. The Liquidator shall preserve physical or electronic copy of the reports, registers, and books of account referred to in Regulations 8 and 10 of IBBI Regulations for at least eight years after the dissolution of the Corporate Person, either with himself or with an information utility.
18. Copy of the order be served to the respective parties.
19. Accordingly, the present application i.e., CP(IB)/104/(AHM)2022 stands allowed and disposed of.

**-Sd-**

**AJAI DAS MEHROTRA  
MEMBER (TECHNICAL)**

Mehul Steno/Abhishek LRA

**-Sd-**

**SHAMMI KHAN  
MEMBER (JUDICIAL)**