



**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI, COURT-III (SPECIAL BENCH)
(IB) – 371 (ND)/2023**

Under Section 59 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

IN THE MATTER OF:

M/s. Precision Fashions Limited

Having its Registered Office at:

C-17/1 Paschimi Marg, Vasant Vihar,
South-West Delh-110057.

Through the Liquidator:

Mr. Atiuttam Prasad Singh

Registration No.: IBBI/IPA-001/IP/P-01914/2019-20/12914

...Applicant/Petitioner

Order Pronounced On: 22.05.2024

CORAM:

**SHRI MANNI SANKARIAH SHANMUGA SUNDARAM, HON'BLE MEMBER
(JUDICIAL)**

SHRI RAHUL BHATNAGAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant/Liquidator : Mr. Paryag and Mr. Himanshu, Advocates

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by Mr. Atiuttam Prasad Singh, who has been appointed as the Liquidator of **M/s. Precision Fashions Limited** on 30.05.2023, before this Adjudicating Authority, under Section 59(7) of the Insolvency & Bankruptcy Code, 2016 (“**the Code**”) r/w Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, (“**Voluntary Liquidation Regulations**”).



2. The Applicant Company was incorporated on **24.03.2003**, as a Public Limited Company having CIN: U74994DL2003PLC119522 under the provisions of the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and having its Registered office at C-17/1 Paschimi Marg, Vasant Vihar, South-West Delh-110057.
3. The Authorized Share Capital of the Company is Rs. 3,52,50,000/- (Rupees Three Crore Fifty Two Lakhs Fifty Thousand Only) divided into 35,25,000 (Thirty-Five Lakh Twenty Five Thousand) Equity Shares of Rs. 10 each. The Issued, Subscribed and Paid-up share capital is Rs. 2,55,00,000/- (Rupees Two Crores Fifty-Five Lakhs only) divided into 25,50,000 (Twenty-Five Lakh Fifty Thousand One Hundred Forty-Five) equity shares of Rs.10/- (Rupees Ten only) each.
4. The Applicant Company's objective is to carry on business of academic Centres to impart training and education through courses and diplomas by conducting classes or through post in the field of fashion designing related to apparels, Jewellery, leather products, jute products, garments, beauty products and run fashion Centres.
5. The List of Shareholders of the Applicant Company are as follows:

LIST OF SHAREHOLDERS (EQUITY) AS ON 09.04.2023

SL. NO.	NAME OF SHAREHOLDERS	NO. OF SHARES (Rs.10/- each)
1	Mr. Arun Gujral	2,549,940
2	Mr. Girish Gujral	10
3	Mrs. Simi Gujral	10
4	Mr. Sameer Gujral	10
5	Mrs. Payal Seth	10
6	Mr. Pulkit Seth	10
7	Mrs. Shaifalli Seth	10
Total		2,550,000

6. The Board of Directors of the Applicant Company comprise of the following:
 - i) Mr. Arun Gujral (Director) (DIN 01776984)
 - ii) Mr. Girish Gujral (Director) (DIN 06878232)
 - iii) Mr. Sameer Gujral (Director) (DIN 06878238)
7. The Applicant Company is not carrying any business from financial year 2021-22, and 2022-23, and not earning any profits except the income from investments.



8. The Board of Directors of the Company in the meeting held on 15.02.2023 noted that due to non-availability of business prospect and long-term financial resources it was not financially viable to carry on the business activities of the Company and proposed to close down the company by way of voluntary liquidation and passed a proposal to liquidate the Company voluntarily.
9. In compliance of Section 59 of the Code, the majority of Directors of the Corporate Person have given the Declaration of Solvency by way of affidavit dated 15.02.2023 deposing therein that the company is not being liquidated to defraud any Creditor, Government, Company, Firm or any person and resolved to wind up the company under “Voluntary Winding up” at the Board meeting held on 15.02.2023, as per section 59(3)(a) of the Code.
10. The Company does not have any moveable or immovable assets. Hence, no valuation report was required to be obtained under the provisions of Section 59(3)(b)(ii) of the code.
11. The Members of the Company in their Extraordinary General Meeting held on 23.02.2023 recommended the appointment of the applicant **Mr. Atiuttam Prasad Singh**, Registered Insolvency Professional having Registration No. **IBBI/IPA-001/IP/P-01914/2019-2020/12914** to act as the Liquidator of the Company and passed a special resolution in the same regard.
12. The Declaration by majority of Directors was filed with Registrar of Companies, Delhi in form GNL-2 vide SRN AA1485597 on 27.02.2023. The Intimation of commencement of liquidation and appointment of liquidator was submitted to the Registrar of Companies, Delhi along with form MGT-14 and Form GNL-2 vide SRN AA1551027 on 07.03.2023.
13. As per provisions of Section 178 of the Income Tax Act, 1961, the liquidator intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority and GST Authority on 28.02.2023. The Income Tax Authority provided it's no objection certificate on 03.04.2023.
14. In compliance with Regulation 14 of the Voluntary Liquidation Regulations, the Liquidator made a Public Announcement for commencement of the Liquidation in Form A of Schedule 1 of the Voluntary Liquidation Regulations, published in “Financial Express” (English), and in “Jansatta” (Hindi), on 28.02.2023 inviting claims by the stakeholders, if any, to submit



their claim within 30 days from the commencement of liquidation i.e. 25.03.2023. The Public Announcement was simultaneously submitted to the Insolvency and Bankruptcy Board of India (hereinafter referred to as "the IBBI") to place the same on its website on 28.02.2023.

15. The Liquidator of the Company opened a Bank account in the name of 'Precision Fashions Limited- In Voluntary Liquidation' with IDFC First Bank on 22.03.2023 for realization and payment to the contributories. The said bank account has been closed down on 29.05.2023 after the disbursement of the fund to all stake holders and the intimation by the Bank vide E-mail dated 29.05.2023 is filed along with the Application as **Annexure U**.
16. Post the public announcement, the Liquidator had received the claims from the financial stakeholders on 13.03.2023. The copy of the claim form is filed along with the Application as **Annexure L**. Based on the verification of books, claim received from the financial creditors of the Company is **NIL**.
17. In compliance of Regulation 9 of Voluntary Liquidation Regulations, the Liquidator submitted its Preliminary Report dated 08.04.2023 to the members of the Company and filed Form No. GNL-2 with the Registrar of Companies, New Delhi vide SRN AA1944128 on 14.04.2023.
18. The Balance Sheet of the Applicant Company for the Financial Year was duly submitted to the Registrar of Companies, Delhi along with form GNL-2 vide SRN IAA2318503 on 05.05.2023.
19. The Auditors Certificate submitted by M/s. Sanjay Batra & Co., Chartered Accountants showing receipts and payments pertaining to liquidation since the liquidation commencement date is filed along with the petition and annexed as **Annexure Q**.
20. A copy of Final Report dated 23.05.2023 along with Form H showing the realisation and payment to the creditors and Members of the Company along with compliances, containing the details as required under Regulation 38 of the Voluntary Liquidation Regulations, along with auditor's certificate, is annexed as **Annexure R**.
21. The copy of the Final Report was submitted to the Registrar of Companies, NCT of Delhi and Haryana in Form GNL-2 vide SRN AA2581520 on 23.05.2023 and was also sent to the IBBI through email on 23.05.2023.
22. Notice was issued to the Registrar of Companies ("**RoC**"), NCT of Delhi & Haryana vide this Adjudicating Authority's order dated 10.07.2023.



23. The RoC had filed its report dated 11.01.2024 in compliance of the Order dated 19.10.2023 of this Adjudicating Authority whereby it has stated that as per their records, no inquiry/inspection/complaint/legal action has been proceeded/pending against the Applicant Company.

24. Further, the Liquidator in Compliance with Order dated **09.05.2024** has filed gist of the matter as per checklist, which is extracted below:

S No. (1)	Compliance (2)	(Yes/No) (3)	Reference
1.	(Sec. 59(3)(a) read with Regulation 3(4)) <i>Declaration by way of an Affidavit from majority of the Directors to be filed.</i>	Yes	At page no. 131 to 148 of the Petition
2.	(Sec. 59(3)(b)(i)) <i>Audited Financial Statements and record of business operations for the previous two years to be filed.</i>	Yes	At page no. 76 to 130 of the Petition
3.	(Sec. 59(3)(b)(ii)) <i>Valuation Report to be filed.</i>	N/A	N/A
4.	(Sec. 59(3)(c)(i)) <i>Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a).</i>	Yes	At page no. 149 to 159 of the Petition
5.	(Proviso to Sec. 59(3)(c)) <i>Approval of Resolution passed under Section 59(3)(c) by creditors (2/3rd in value) if any, within 7 days from the date of Resolution.</i>	N/A	N/A
6.	(Sec. 59(4)) <i>Intimation to RoC and IBBI within 7 days from the date of the Resolution under 59(3)(c) or after approval of the creditors.</i>	Yes	At Page No. 160-176 of the Petition
7.	(Regulation 14) <i>Proof of Public Announcement made in 'Form- A' within 5 days from the date of appointment.</i>	Yes	At Page No. 179-182 of the Petition



8.	(Regulation 30) <i>List of Stakeholders in case of claims under Chapter V of the Regulations</i>	Yes	Attached as Annexure P-1 with the present Affidavit.
9.	(Regulation 9) <i>'Preliminary Report' along with proof a/submission of the same to the Company within 45 days from the LCD</i>	Yes	At Page No. 192-197 of the Petition
10.	(Regulation 34) <i>Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank</i>	Yes	At Page No. 204 of the Petition
11.	<i>Proof of Closure of the above Bank Account and any other account in the name of the Company</i>	Yes	At Page No. 215 of the Petition
12.	(Regulation 35) <i>Proof of distribution within six months from the receipt of realization</i>	Yes	At Page No. 204-209 of the Petition
13.	(Regulation 38) <i>'Final Report' along with proof of submission of the same to RoC & IBBI</i>	Yes	At Page No. 202-212 of the Petition
14.	(Regulation 37) <i>Completion of liquidation process within twelve months from LCD</i>	Yes	Date of Commencement:- 23.02.2023 Date of Completion:- 23.05.2023
15.	(Regulation 37) <i>Annual Status prepared (If any)</i>	N/A	N/A

REALISATION:

S. No.	Particulars	Amount
(1)	(2)	(3)
1	Sale of Assets	NIL
2	Refund from Statutory Authorities	NIL
3	Cash / Bank balance	2,67,81,500
4	Realization of uncalled/unpaid capital contribution	NIL
5	Distribution of unsold asset	NIL
6	Any other (Please specify)	NIL
Total		2,67,81,500

**DISTRIBUTION:****(Rs. In Lakhs)**

S. No.	Stakeholders under Section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Realization Of Security Interest	N/A	N/A	N/A	N/A	N/A
2.	Liquidation Cost [Sec.53(1)(a)]	6.67	6.67	6.67	100	N/A
3.	Workmen's Dues [Sec. 53(1)(b)(i)]	N/A	N/A	N/A	N/A	N/A
4.	Debts of Secured Creditors [Sec.53(1)(b)(ii)]	N/A	N/A	N/A	N/A	N/A
5.	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	N/A	N/A	N/A	N/A	N/A
6.	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	N/A	N/A	N/A	N/A	N/A
7.	Government Dues+ Amount Unpaid Following Enforcement of Security Interest [Sec.53(1)(e)]	N/A	N/A	N/A	N/A	N/A
8.	Any remaining Debts and Dues [Sec.53(1)(f)]	N/A	N/A	N/A	N/A	N/A
9.	Preference Shareholder [Sec. 53(1)(g)]	N/A	N/A	N/A	N/A	N/A
10	Equity Shareholders [Sec.53(1)(h)]	255	255	261.03	102 %	N/A
Total		261.67	261.67	267.70		



25. Analysis and Findings:

- i. We have heard the submissions made by the Applicant Company and we have also perused the records. From a bare perusal, it is seen that the Voluntary Liquidator, after his appointment has duly performed his duties and completed necessary formalities to complete the Voluntary Liquidation process of the Applicant Company, which has been averred in the present application and, thus, the Voluntary Liquidator has prayed for an order from this Adjudicating Authority to dissolve the applicant company.
- ii. Further, no adverse comments have been received from any statutory authority or from public at large against such dissolution of the Applicant Company, despite there being a public announcement by the Voluntary Liquidator and also updating the same on the website of the Insolvency and Bankruptcy Board of India (IBBI).
- iii. It is also evident from the record that the proposed Voluntary Liquidation was duly communicated to the Registrar of Companies, NCT of Delhi & Haryana as per Form MGT-14 and Form GNL-2 filed with the Registrar of Companies, NCT of Delhi and Haryana and the same are also reported to have been approved vide Report dated 11.01.2024.
- iv. It appears that the affairs of the Applicant Company have been completely wound up and its assets have been completely liquidated. No liabilities have been left unsatisfied.
- v. We are satisfied from the documents on record that the Voluntary Liquidation is not with the intent to defraud any person.

26. Order

- i. In light of the above facts and circumstances, the Present Application **CP (IB)-371(ND)/2023 stands allowed and disposed of.**
- ii. Consequently, this Adjudicating Authority in exercise of power conferred to it under Section 59(8) of the Insolvency and Bankruptcy Code, 2016, orders that the Applicant Company i.e., M/s. Precision Fashions Limited having CIN: U74994DL2003PLC119522 shall stand dissolved with effect from the date of pronouncement of this order. Mr. Atiuttam Prasad Singh, the Voluntary Liquidator of M/s. Precision Fashions Limited stands discharged of its duties and obligations as a Voluntary Liquidator of M/s. Precision Fashions Limited.



- iii.** The Registry is directed to send the copies of the order forthwith to the Applicant Company represented by its Voluntary Liquidator and its Ld. Counsel for taking further necessary steps.
- iv.** The Voluntary Liquidator of the Applicant Company is further directed to serve a copy of this order upon the Registrar of Companies, NCT of Delhi and Haryana, immediately and, in any case, within fourteen days of receipt of this order. The Registrar of Companies shall take further necessary action upon receipt of a copy of this order.
- v.** The Voluntary liquidator is also directed to preserve a physical or electronic copy of the reports, registers and books of accounts referred to in Regulation 8 and Regulation 10 of the Voluntary Liquidation Regulations for at least 8 years as per Regulation 41 of the Voluntary Liquidation Regulations either with himself or with an information utility.
- vi.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.
- vii.** The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India for their record.

Sd-
(RAHUL BHATNAGAR)
MEMBER (TECHNICAL)

Sd-
(MANNI SANKARIAH SHANMUGA SUNDARAM)
MEMBER (JUDICIAL)