

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU

(Through web-based video conferencing platform)

C.P.(IB)No.102/BB/2023

U/S.59 (7) of the IBC, 2016

R/w. IBBI (Voluntary Liquidation Process)
Regulations, 2017

In the matter of:

Shri M.V.Sudarshan

Liquidator of Elite Leather International Private Limited

No.21/2, Vittalnagar, Chamrajapet,

Bengaluru – 560 018

- Applicant/Petitioner

Order delivered on: 7th December, 2023

Coram: 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Parties/Counsels Present:

For the Liquidator : Shri Hemanth R Rao

ORDER

Per: Bench

1. This Application has been filed under Section 59 (7) of the IBC, 2016 R/w. IBBI (Voluntary Liquidation Process) Regulations, 2017 by the Liquidator on 01.05.2023, seeking for dissolution of the Company.
2. The aforesaid Company, M/s. Elite Leather International Private Limited (hereinafter referred to as "Applicant Company") was incorporated on 01.01.1979 under the provisions of the Companies Act, 1956, having CIN: U51216KA1979PTC003440. The registered office of the Company is situated at No.21/2, Vittalnagar, Chamrajapet, Bengaluru. Its Authorized Share Capital is Rs.5,00,000/- divided into 5,000 equity shares of Rs.100/- each. The main objects of the Company is engaged in the business of manufacture of all items and kind of goods made out of leather as main material, tanning, dyeing and processing of raw-hydes and skins, developing infrastructure for IT companies by facilitating

finance of start-up ventures, promoting joint ventures, acting as incubation company, angel investor etc.

3. The following averments have been made in the Petition:
 - a. The Board of Directors of the Company in their meeting held on 20.01.2023 for taking note of **Declaration of Solvency** of the Company as required under Section 59 (3) of the IBC, 2016 by majority of the Directors, decided to wind up the affairs of the Company by voluntary liquidation of Corporate Person. Further, the Directors have filed Declaration of Solvency dated 20.01.2023 stating that they have made full inquiry into the affairs of the Corporate Person, and are of the opinion that the Corporate Person has no debts or if claimed during the liquidation process, the Company will be able to pay its debts/claims in full out of the proceeds of realization from liquidation process within a period of six months. Further it is declared that the Corporate Person is not being liquidated to defraud any person.
 - b. The Company in its Extraordinary General Meeting held on 11.02.2023 passed **a Special Resolution to liquidate the Company voluntarily**, and appointed Shri M.V.Sudarshan, IP, to act as Liquidator of the Company. A copy of the minutes of the EOGM is attached as Annexure-C of the Petition.
 - c. The Audited Financial Statements of the Company as on 31.03.2021 and 31.03.2022 along with Auditor's Report has been filed.
 - d. The commencement of liquidation and appointment of liquidator is intimated to the ROC in Form MGT-14 on 12.02.2023 and GNL-2 (for submissions of documents) on 24.03.2023. The Public Announcement was simultaneously submitted to IBBI to place the same on its website on 11.02.2023.
 - e. **Public Announcement (Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator made a Public Announcement of commencement of liquidation in Form A, in 'Financial Express', English Newspaper and

'Hosadigantha', Kannada Newspaper on 13.02.2023, seeking submission of the claim by the stakeholders, if any, within 30 days from the date of commencement of liquidation i.e. 13.03.2023.

- f. **List of stakeholders (Regulation 30 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** – In response to the public announcement no claims were received from the creditors, employees, Government bodies, etc. and on the verification of books, there was no due to any creditors of the Applicant Company.
- g. **Preliminary Report (Regulation 9 (1) of Chapter IV of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** – The Liquidator submitted the preliminary report to the Company on 28.03.2023.
- h. **Opening of Bank Account (Regulation 34 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** – As required under Regulations, the liquidator opened a separate Bank Account in the name of the Company was opened with Canara Bank, Girinagar Branch, Bengaluru, for Liquidation purposes.
- i. **As per provisions of Section 178 of the Income Tax Act, 1961**, the Applicant intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority on 23.02.2023. In response to the same, the liquidator has filed the Income Tax returns through ITR-6, for the Assessment Year 2022-23 on 07.12.2022.
- j. **Distribution of Liquidation Proceedings** – It is submitted that after deducting the liquidation expenses, in the absence of other creditors, the residual amount was nil thus, no amount has been distributed to the members of the Company.
- k. **Bank Account Closure** – It is submitted that the Liquidator has closed the Bank Account on 31.03.2023.
- l. **Final Report – Regulation 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** – The Liquidator had

the accounts audited for the liquidation period and submitted his Final Report on 08.04.2023. In connection with the accounts of the liquidation, the CA Certificate showing receipts and payments pertaining to liquidation period i.e. 11.02.2023 till 31.03.2023 has been completed in following manner:

Sl.No.	Particulars		Rs.	Amt (Rs)
1	Opening Balance			
2	Receipt -Transferred From Canara Bank CA No.04211010001870 (Account Closing Proceeds)		3,45,625.82	
	- Amount Deposited by liquidator towards Bank Account closing charges		868.18	
	Total Receipt from liquidation			3,46,494.00
3	Total of Opening Balance and receipt (1+2)			<u>3,46,494.00</u>
	Payments			
	(i) Liquidator's Fee		2,36,000.00	
	(ii) Liquidation Expenses			
	- Public Announcement	8,778.00		
	- Travelling and others	13,422.00		
	- Legal Fee	20,000.00	42,200.00	
	(iii) Accounting and Compliance		36,800.00	
	(iv) Advocate Fee		30,000.00	
	(v) Bank Charges		1,494.00	
5	Total Payment			<u>3,46,494.00</u>
	Closing Balance (Sr.No.3-4)			-

m. The Final Report dated 08.04.2023 of the Liquidating Company was submitted with ROC and IBBI on 08.04.2023.

4. Heard Shri Hemanth R Rao, learned Counsel for the Liquidator. We have carefully perused the records and extant provisions of the Code, and the Regulations made thereunder.
5. Therefore, all the assets of the Corporate Person have been liquidated and there are no other creditors/claim in respect of the Corporate Person. Thus, the compliances of Section 59 and other relevant provisions of the IBC, 2016 r/w. Regulation 37(2) of IBBI (Voluntary Liquidation Process) Regulations, 2017 from the date of commencement of the liquidation proceedings is completed. Hence,

we are of the considered opinion that the Corporate Person, through its liquidator, has been voluntarily liquidated.

6. In view of the foregoing, **M/s Elite Leather International Private Limited**, the Applicant Company is hereby dissolved with effect from the date of the present order. A copy of this order be filed with the ROC within fourteen days from the date of receipt of copy of this order.
7. The Petition bearing **C.P.(IB)No.102/BB/2023** is accordingly allowed in the above terms.

-Sd-
MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)

-Sd-
T. KRISHNAVALLI
MEMBER (JUDICIAL)