

**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH**  
(Exercising powers of Adjudicating Authority under  
the Insolvency and Bankruptcy Code, 2016)  
(through web-based video conferencing platform)

**CP (IB) No.219/Vol./Chd/Chd/2021**

**Under Section 59 and other  
applicable provisions of IBC, 2016  
read with IBBI (Voluntary  
Liquidation Process) Regulations,  
2017**

**In the matter of :**

**Setya Builders Private Limited**  
having its registered office at  
SCO 265, Sector-35D, Chandigarh-160022  
CIN: U45201CH1999PTC023086

... Petitioner

**Judgment delivered on: 02.12.2022**

**Coram: HON'BLE SHRI. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE SHRI. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

For the Petitioner: Mr K.V. Singhal, Advocate

**PER: HARNAM SINGH THAKUR, MEMBER (JUDICIAL)**

**JUDGMENT**

1. The present Company Petition has been filed by the Liquidator, Mr. Khushvinder Singhal on behalf of the Setya Builders Private Limited under Section 59 of the Insolvency and Bankruptcy Code, 2016 (in short, the Code) seeking the relief that the Applicant Company be dissolved as per the provisions of the Code and the Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

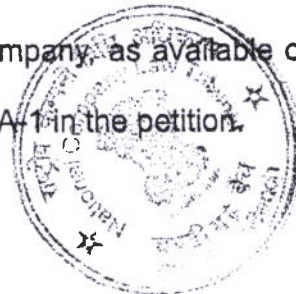


2. Brief facts giving rise to the filing of the instant Company Petition, which is just and necessary for adjudication, are narrated hereunder:-

2.1 The Applicant Company i.e. Setya Builders Private Limited is a company incorporated under the provisions of the Companies Act, 1956, having CIN No. U45201CH1999PTC023086 and its registered office is situated at SCO No. 265 Sector 35 D, Chandigarh UT.

2.2 It is stated that the main object of the company was to build and construct roads, residential and commercial flats, buildings, colonizers, far houses, factories, showrooms, hospitals, hotels, hostels, bridges, sewerage, dams, fabrication, and erection work and to carry on the business of colonizers and real estate owners, sale and purchase of properties and to construct buy, sell give or take on hire, lease, sub-contractors, exchange, purchase or to deal in all any manner in all types of land and buildings, infrastructure facilities. The Memorandum of Association and Articles of Association of the Company, a copy of which is attached as Annexure A-1 of the petition.

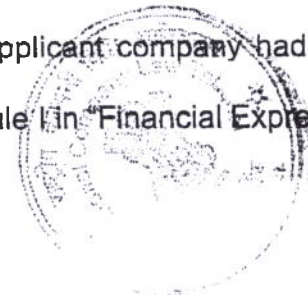
2.3. The Authorized Share Capital of the Applicant Company is Rs.25,00,000/- divided into 25,000 Equity shares of Rs.10/- each. Whereas the issued, subscribed and paid-up capital is Rs. 23,49,000/- divided into 2,34,900 Equity shares having a face value of Rs. 10/- each. A copy of the Master Data of the applicant company, as available on the website of MCA, has been annexed as Annexure A-1 in the petition.



2.4 On perusal of the record, it is found that the applicant company has complied with Section 59(3)(a) of the Code by filing a declaration signed by the Board of Directors stating, *inter alia*, that full enquiry into the affairs of the company has been done and the company has no debts, and if so claimed during the liquidation process, the company will be able to pay its debts/claims in full, from the proceeds of the assets to be sold in liquidation, within a stipulated period. The directors of the applicant company have also submitted the Declaration of Solvency by way of affidavits dated 12.02.2021 (Annexure A-5), deposing therein that the company is not being liquidated to defraud any person. Certified true copies of audited financial statements for the year 01.04.2019 to 31.03.2020 and 01.04.2020 to 07.07.2021 have also been annexed in the petition (Annexure A-2 and A-14, respectively)

2.5 It is stated that the Board of Directors of the company, as per Section 59(3)(c) of the Code, convened an Extra Ordinary General Meeting on 15.02.2021 to pass a special resolution to voluntarily liquidate the company and to appoint Mr Khushvinder Singhal Insolvency Professional (Registration No.IBBI/IPA-002/IP-N00888/2019-20/12833) to act as the Liquidator. Copy of Minutes of the Extra Ordinary General Meeting dated 15.02.2021, along with the notice, has been annexed as Annexure A-4.

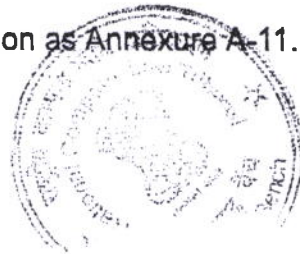
2.6 It is further stated that in compliance of Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the liquidator of the applicant company had published a public announcement in Form A of Schedule I in "Financial Express" (English)



and in "Jansatta" (Hindi) edition on 17.02.2021 inviting claims of stakeholders, if any, to submit their claim within 30 days from the date of commencement of liquidation. A copy of the Public Announcement had also been sent to the Insolvency and Bankruptcy Board of India (IBBI) with a request to upload it on its website, and the same was uploaded on the website of IBBI. A copy of the newspaper publication, as well as a copy of an email sent to IBBI and a screenshot of the website of IBBI depicting the publication of the aforesaid public announcement, have been annexed with the instant petition as Annexure A-7. No claim has been received pursuant to the above publication.

2.7 According to the applicant, as per the provision of Section 59(4) of the Code, the applicant company had duly notified the Registrar of Companies about the voluntary liquidation and appointment of a liquidator in e-Form MGT 14 and e-Form GNL 2 and the same was approved and taken into the record by Registrar of Companies, Punjab and Chandigarh. A copy of Form MGT-14 and Form GNL-2 has been annexed with the petition as Annexure A-6 and A-5, respectively.

2.8 In compliance with Regulation 8(1) (a) and 9 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 the liquidator had submitted a Preliminary Report dated 01.04.2021 to the members of the applicant company. A copy of the Preliminary Report has also been annexed with the petition as Annexure A-11.



2.9 It is stated in the petition that the applicant company did not have any creditors and has not received any claim from any quarter.

2.10 It is averred that the liquidator informed the Income Tax Department about the voluntary liquidation of the company as well as his appointment as liquidator of the company.

2.11 In compliance with Regulation 34 of the Insolvency and Bankruptcy Code Board of India (Voluntary Liquidation Process) Regulations, 2017, the liquidator opened a bank account in the name of 'Setya Builders Private Limited. – in voluntary Liquidation', with the Central Bank of India for the realization of money and payment to the members.

2.12 In compliance of the provisions of Regulation 35 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and Section 53 of the Code, the liquidator distributed the proceeds from the realization of assets (Bank Balance Liquid Assets only) involved in the process of Voluntary Liquidation to the stakeholders from the aforesaid liquidation account.

2.13 The applicant liquidator has further informed that having made necessary payment to the Members of the company, the liquidator has closed down the liquidation account, and in proof thereof, a compliance affidavit has been filed vide Diary No. 01003/5 dated 07.11.2022, evidencing the closure of account on 04.11.2022.



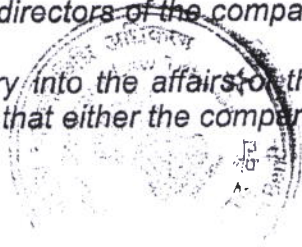
2.14 In compliance with the provisions of Regulation 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, the liquidator prepared a final report and submitted the same to the Registrar of Companies and to the Insolvency and Bankruptcy Board of India. A copy of e-Form GNL-2, along with challan and proof of despatch to IBBI, are attached as Annexure A-13 of the petition.

3. On the basis of the aforementioned grounds and reasons, the company, through the liquidator, has prayed for an order from this Adjudicating Authority for the dissolution of the applicant company and making a declaration to this effect.

4. We have heard the authorized representative appearing on behalf of the applicant company and, with their able assistance, have carefully gone through the contents of the present petition. We have also duly considered the merits thereof in the light of the statutory provisions of Section 59 of the Code read with other relevant Regulations. For the sake of convenience, the relevant provisions of Section 59 of the Code are being reproduced hereinbelow:-

**59 Voluntary Liquidation of corporate persons**

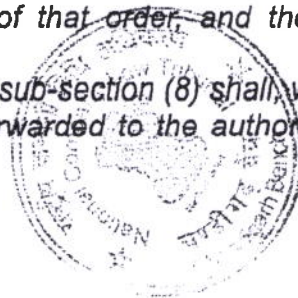
1. *A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.*
2. *The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.*
3. *Without prejudice to sub-section (2), voluntary liquidation proceedings of a corporate person registered as a company shall meet the following conditions, namely:-*
  - a. *a declaration from majority of the directors of the company verified by an affidavit stating that-*
    - i. *they have made a full inquiry into the affairs of the company and they have formed an opinion that either the company has no debt or*



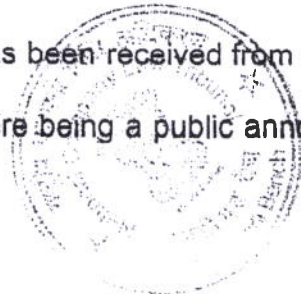
- that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation; and
- ii. the company is not being liquidated to defraud any person;
- b. the declaration under sub-clause (a) shall be accompanied with the following documents, namely:-
    - i. audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later;
    - ii. a report of the valuation of the assets of the company, if any prepared by a registered valuer;
  - c. within four weeks of a declaration under sub-clause (a), there shall be-
    - i. a special resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator; or
    - ii. a resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily as a result of expiry of the period of its duration, if any, fixed by its articles or on the occurrence of any event in respect of which the articles provide that the company shall be dissolved, as the case may be and appointing an insolvency professional to act as the liquidator.

Provided that the company owes any debt to any person, creditors representing two-thirds in value of the debt of the company shall approve the resolution passed under sub-clause © within seven days of such resolution

4. The company shall notify the Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.
5. Subject to the approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause © of sub-section (3).
6. The provisions of sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.
7. Where the affairs of the corporate person have been completely wound up and its assets completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate person.
8. The Adjudicating Authority shall, on an application filed by the liquidator under sub-section (7), pass an order that the corporate debtor shall be dissolved from the date of that order, and the corporate debtor shall be dissolved accordingly.
9. A copy of an order under sub-section (8) shall, within fourteen days from the date of such order, be forwarded to the authority with which the corporate person is registered.



5. A bare perusal of the material available on record shows that the Board of Directors of the Company has taken a conscious decision to close down the company because the company is not carrying on business activities for the past many years. Thus, the Board of Directors of the company have unanimously proposed to liquidate the company by invoking the provisions of voluntary liquidation under Section 59 of the Code.
6. It has been mentioned in the petition that the liquidator has not received any claims. Therefore, no prejudice or loss will be caused to anyone if the company is dissolved. In support of the same, the company has duly passed the requisite Special Resolution in its Extra Ordinary General Meeting on 15.02.2021 by confirming the decision of its Board of Directors and proposing its Voluntary Liquidation. The EOGM had also passed a further resolution to appoint Mr. Khushvinder Singhal, Insolvency Professional, having Registration No.IBBI/IPA-002/IP-N00888/2019-20/12833 as Liquidator of the applicant company.
7. From the perusal of the record of the case, it is seen that the Liquidator, after his appointment, has duly performed his duties and completed the necessary formalities to complete the liquidation process of the applicant company, which has been averred in the present petition and, thus, the liquidator has prayed for an order from this Tribunal to dissolve the applicant company.
8. Since there is no objection received from any angle opposing the proposed voluntary liquidation/dissolution of the company either from the side of the shareholders or from creditors, nor any adverse comment has been received from the public at large against such liquidation/dissolution, despite there being a public announcement by the



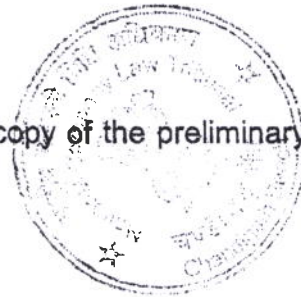
liquidator and also updation of the same in the website of the Insolvency and Bankruptcy Board of India (IBBI). It is also evident from the record that the proposed liquidation was duly communicated to the Registrar of Companies, Punjab and Chandigarh, as per e-Form MGT-14 and e-Form GNL-2 and the same is also reported to have been approved.

9. Notice was issued to the Registrar of Companies (RoC), Punjab and Chandigarh, vide order dated 11.02.2022. In compliance with the above order, RoC filed its report vide Diary No.01003/3 dated 13.04.2022, whereby it has stated that no inquiry/inspection/complaint/legal action has been proceeded/pending against the subject company.

10. Apart as per record of the present case, it is seen that the company is not found involved in such kind of business activities, which are detrimental to the interest of the public at large. Further, it is not the case that the proposed liquidation may adversely affect its shareholders/members or is contrary to the provisions of the law.

11. The Liquidator had filed copies of the paper publication in Form-A. The Liquidator is found to have complied with the statutory provision to complete the liquidation process by taking necessary steps as it is evident that he had duly opened an account in the name of a Corporate Person with Central Bank of India, Panchkula, for realization and payment to the members. The Liquidator had further intimated to the Income Tax Department regarding the voluntary liquidation of the company as well as his appointment as the liquidator.

12. The Liquidator has also annexed a copy of the preliminary report, a copy of the Final Report, and e-Form GNL-2.



13. By taking into consideration the above-stated facts and circumstances, the present application deserves to be allowed for the proposed Liquidation/Dissolution of the Corporate Person.

14. Consequently, this Adjudicating Authority, in the exercise of the power conferred to it under Section 59 (8) of the Insolvency and Bankruptcy Code, 2016, orders that the Corporate Person (Applicant Company) Setya Builders Private Limited shall stand dissolved with effect from the date of this order i.e. 02.12.2022.

15. The Liquidator is directed to communicate a copy of this order to the respondent i.e. Registrar of Companies, Punjab and Chandigarh, wherein the registered office of the company is situated. Further, a copy of this order should also be communicated to the IBBI, New Delhi, for information. Such communication should be made within the stipulated period of fourteen (14) days from the date of receipt of an authentic copy of this order.

16. The Registry is directed to communicate a copy of this order to the Registrar of Companies, Punjab and Chandigarh as well as to the Insolvency and Bankruptcy Board of India (IBBI).

17. Thus, the present Company Petition is allowed and stands disposed of.

*Sd/-*  
(Subrata Kumar Dash)  
Member (Technical)

December 02, 2022  
PB/ASH



*Sd/-*  
(Harnam Singh Thakur)  
Member (Judicial)

*[Signature]*  
कार्तिकेय वर्मा/KARTIKEYA VERMA  
निबंधक/Registrar

राष्ट्रीय कम्पनी विधि अधिकरण - National Company Law Tribunal  
चंडीगढ़: बेंच/Chandigarh Bench/नॉर्नरिटेड भवन/Corporate Bhawan  
प्लॉट नंबर 4 - बेंच/Plot No. 4-B, गणतंत्र/Ground Floor,  
सेक्टर 27-B भावा मार्ग/Maurya Marg,  
चण्डीगढ़/Chandigarh-160019

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