

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

C.P.(IB)No.29/BB/2021
U/s. 59 of IBC Code, 2016
R/w Regulation of IBBI (Voluntary
Liquidation Process) Regulations, 2017

Between:

Thummala Gandhi
Liquidator of
M/s. Shashi Kaizen Industries Pvt. Ltd.
(In Voluntary Liquidation)
No.4916, 10th Floor,
Highpoint IV, 45, Palace Road,
Bengaluru – 560 001 - Applicant

And

The Registrar of Companies, Karnataka
'E' Wing, 2nd Floor,
Kendriya Sadan,
Koramangala,
Bengaluru – 560 034 - Respondent

Date of Order: 19th March, 2021

Coram: 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

Counsel/Parties Present:

The Liquidator : Shri Thummala Gandhi

ORDER

Per: Rajeswara Rao Vittanala, Member (J)

1. C.P.(IB)No.29/BB/2021 is filed by Thummala Gandhi, Liquidator of M/s. Shashi Kaizen Industries Pvt. Ltd. (Applicant), U/s. 59 of the IBC, 2016 R/w Regulation IBBI (Voluntary Liquidation Process) Regulations, 2017, by *inter-alia* seeking to dissolve the Corporate Person/Company viz., M/s. Shashi Kaizen Industries Pvt. Ltd.

2. Brief facts of the case, which are relevant to the issue in question, as follows:

- (1) M/s. Shashi Kaizen Industries Pvt. Ltd. (hereinafter referred to as "the Company") is a Private Limited Company, was incorporated on 21.04.2005, under the provisions of the Companies Act, 1956, bearing CIN: U29230KA2005PTC36127. Its Authorized Share Capital is Rs.1,00,00,000/- divided into 10,00,000/- Equity Shares of Rs.10/- each and Issued, Subscribed and Paid-up Capital is Rs.91,00,000/- consisting of 9,10,000 Equity Shares of Rs.10/- each. The main objects of the Company, is to carry out the business of manufacturing of precision components.
- (2) From preceding five years, the Company is not carrying on any business and not earning any profits except the interest income on fixed deposits. The Board of Directors of the Company in their Meeting held on April 01, 2019 considered the matter and was of the opinion that due to change in technology and need for up gradation, high investment required to adapt the new technology and the main promoter holding 70% of shares of the Company, being senior citizen again about 80 years who has expressed his inability to either run the business or bring the capital, 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 an unanimous (100%) resolution to liquidate the Company voluntarily on 01.04.2019.
- (3) As required under the provisions of Section 59 of the Code, Mr. Venkatesh Muniswamappa and Mr. Tara Venkatesh, being the Director (100%), made a declaration of solvency on April 1, 2019. The declaration by the Directors along with audited financial statements and record of business operations of the Company for the previous two years were filed with the Registrar of Companies, Bangalore on 29.04.2019 vide SRN No.457613499.



- (4) As proposed by the Board, the Members of the Company, in their Extraordinary General Meeting held on 24.04.2019 passed a special resolution as required U/s.59 of the Code R/w. IBBI (Voluntary Liquidation Process) Regulations, 2017 to liquidate the Company voluntarily and appointed the Applicant to act as Liquidator of the Company. Further, as there are no Creditors to the Company, no consent is obtained for confirming the special resolution passed by the Members of the Company for the liquidation.
- (5) The Liquidator made a public announcement of commencement of liquidation in Form-A in Indian Express, English Newspaper and Kannada Prabha, Kannada Newspaper on 27.04.2019, seeking submission of the claim by the stakeholders of the Company, within 30 days from the date of the commencement of liquidation i.e. 24.04.2019, same was submitted and published on the IBBI website on 27.04.2019 and also submitted to the ROC, Bengaluru. The liquidator intimated the commencement of liquidation to the Income Tax Authority on 23.05.2019. The Income Tax authority provided it's no objection certificate on 21.06.2019.
- (6) As required under the Regulations, the liquidator opened a Bank Account in the name of "LIQ A/C OF SHASHI KAIZEN INDST P LTD." with HDFC Bank, Miller Road for realization and payment to the stakeholders and to meet the cost of liquidation. Further, the liquidator has not received any claims from the financial and operational creditors except from the shareholders consisting of 4 in number.
- (7) The total available funds for distribution was Rs.93,21,146/- (including accumulated profits), out of the available funds in realization account an amount of Rs.3,22,646/- was incurred towards liquidator fees, liquidation expenses, paper publication charges, professional charges and other expenses. Further, an amount of Rs.80,08,000/- was distributed to the



claims (Members) on 01.07.2019 and second payment was effected after filing ITR for the AY 2019-20, an amount of Rs.9,55,500/- was distributed to the claimants (Members) on 03.02.2020. Further an amount of Rs.35,000/- was distributed to the claimants on 29.06.2020 after receiving Income Tax refund.

(8) Accordingly, the Liquidator of the Applicant Company has filed a Final Report of the Liquidation (as per Rule 38 of the IBBI (Voluntary Liquidation Process), Regulation, 2017, dated 31.08.2020, by inter-alia stating as follows:

a. Statement showing how the liquidation process has been conducted and the property of the Company has been disposed off from April 24, 2019 (Commencement of Winding-up) to August 24, 2020 (Close of Liquidation process).

Receipts	Value Realized Rs.	Payments	Payment Rs.	Payment Rs.
Balance in Bank	1,69,846	Legal, Liquidation Fee and other incidental payments		
Proceeds from fixed deposits	90,00,000	1. Liquidator Fee	2,00,000	
Interest received from fixed deposits	-	2. Paper publication	48,048	
IT Refund received	97,420	3. ROC, NCLT & IBBI fees	11,000	
	53,880	4. CS and other professional charges	-	
		5. Audit Fee for Audit of liquidation expenses	17,800	
		6. Travelling, Conveyance, Printing and stationery and other expenses	-	
		7. Bank Charges	17,700	
		8. Income Tax	-	
			20,724	
			118	
			7,256	
		Payment to Creditors		3,22,646
		Payment to Equity Shareholders		
		a. Dividend	0	-
		b. Capital Per Rupee 9.8846 @ Share	89,98,500	89,98,500
Net Realization (Rs.)	93,21,146	Net Payment (Rs.)		93,21,146

3. Heard Shri Thummala Gandhi, Liquidator. We have carefully perused the pleadings of the party and extant provisions of the Code, and Rules made thereunder.

4. As stated supra, as proposed by the Board, the Members of the Company at their Extra Ordinary General meeting held on 24.04.2019 passed a special resolution approving for the voluntary liquidation of the Company. In pursuance to the said Resolution, the Liquidator has complied with all the conditions and procedural requirements as specified under various provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016. We are convinced that the Applicant Company has followed due process of law before filing the instant Application/Petition and nothing remains to be liquidated. Thus, the Petition/Application deserves to be allowed as prayed for.
5. In the result, by exercising the powers conferred on the Adjudicating Authority, under Section 59(8) of the Code, C.P.(IB)No.29/BB/2021 is hereby disposed of with the following directions:
- (1) The Corporate Person/Company, **M/s. Shashi Kaizen Industries Pvt. Ltd.**, is hereby dissolved, with immediate effect;
 - (2) The Registry is directed to forward a copy of this Order to the Registrar of Companies, Karnataka, Bengaluru, within a period of two weeks from today;
 - (3) The Liquidator is also directed to forward copy of this Order to all other Statutory Authorities connected with the affairs of the Company;
 - (4) This order would not absolve personal liability/guarantees, if any, given by the Director(s)/Promoter(s) of the Company to any other third party/parties.

ASHUTOSH CHANDRA
MEMBER, TECHNICAL

RAJESWARA RAO VITTANALA
MEMBER, JUDICIAL