



**IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD**

**COURT - 2**

ITEM No.302

**CP(IB)/128(AHM)2022**

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

**IN THE MATTER OF:**

Keyur J Shah Liquidator of Aavi Cottex Pvt. Ltd.

.....Applicant

**Order delivered on 21/07/2023**

**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)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
(COURT –II)**

**CP (IB) No. 128/59/NCLT/AHM/2022**

[Under Section 59 of Insolvency and Bankruptcy Code, 2016 r.w. Regulation 38 of Insolvency & Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017]

In the matter of :

**Mr. Keyur J. Shah,**

**The Liquidator of**

**M/s. AAVI COTTEX PRIVATE LIMITED (In Liquidation)**

**Order Pronounced on : 21.07.2023**

**Coram:**

**SHAMMI KHAN**

**HON'BLE MEMBER (J)**

**AJAI DAS MEHROTRA**

**HON'BLE MEMBER (T)**



**MEMO OF PARTIES**

**Mr. Keyur J. Shah, the Liquidator of  
M/s. Aavi Cottex Private Limited (in Liquidation)**  
(CIN: U17100GJ2013PTC075107)  
1007, Sun Avenue One,  
Near Shreyas Foundation,  
Manekbaug Society, Ambawadi,  
Ahmedabad, Gujarat- 380015.

..... Applicant

**Appearance:**

For the Applicant : Mr. Noopur Dalal, Advocate

For Income Tax Department : Ms. Pankti Shah, Advocate.

**ORDER**

1. The present company application is filed under Section 59 of the Insolvency and Bankruptcy Code, 2016 (“IBC, 2016”) r.w. Regulation 38 of Insolvency & Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (“IBBI (Voluntary Liquidation Process) Regulations, 2017”) by the Liquidator - Mr. Keyur J. Shah seeking the order of dissolution of the Corporate Person, i.e., M/s. Aavi Cottex Private Limited (“Corporate Person”).
2. Learned counsel for the Corporate Person appeared and made the submissions which are summarised as under:-



- i. The Corporate Person was incorporated on 16.05.2013 with CIN U17100GJ2013PTC075107 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli with an object to act as distributors, dealers, exporters, importers, agents, and to carry on anywhere in India or abroad any or all the traders and business of ginners, packers, balers, spinners, etc.
- ii. The registered office of the Corporate Person is situated at Akshar Medical Store, Ground Floor, Survey No. 1293/2, Plot No. 13, Near Gayatri Mandir, Atkot Road, Jasdan, Rajkot, Gujarat-360050. Hence, the present application is within the jurisdiction of this Adjudicating Authority. The application is filed within the time limit laid down in IBC, 2016 read with the relevant Regulations of IBBI (Voluntary Liquidation Process) Regulations, 2017 and other relevant provisions.
- iii. The authorized share capital of the Corporate Person is Rs. 2,50,00,000/- divided into 25,00,000/- equity shares of Rs. 10/- each and the paid-up share capital of the company is Rs. 2,50,00,000/- divided into 25,00,000/- equity shares of Rs. 10/- each.
- iv. The business of the Corporate Person was severely affected by the first and second COVID-19 waves and it was not able to



revive its operations thereafter. Hence, the Board of Directors of the company considered the matter and resolved to liquidate the affairs of the company and further to realize and distribute the assets of the company amongst the contributors. Accordingly, the members of the Corporate Person at Extra Ordinary General Meeting (“EOGM”) held on 18.01.2022 passed a special resolution to voluntarily liquidate the affairs of the company and to appoint Mr. Keyur J Shah, having Registration No. IBBI/IPA-002/IP-N00244-2017-18/10729 as Liquidator. A copy of the special resolution is annexed with the application.

- v. As per Section 59(3)(a) of IBC, 2016 and Regulation 3(1)(a) of IBBI (Voluntary Liquidation Process) Regulations, 2017, the Directors of the company had filed Form GNL-2 for Declaration of Solvency dated 11.01.2022 with the Ministry of Corporate Affairs vide SRN T72840143 dated 18.01.2022. A copy of the same is annexed with the application.
- vi. As per Section 59(3)(c) of the IBC, 2016, a copy of the special resolution passed by the members of the Corporate Person on 18.01.2022 with respect to liquidate the affairs of the company voluntarily and to appoint Mr. Keyur J Shah as Liquidator subject to confirmation by this Adjudicating Authority has been uploaded through Form MGT-14 on the MCA portal vide SRN



T73708174 on 22.01.2022 which is annexed with the application.

- vii. Pursuant to Regulation 14 of the IBBI (Voluntarily Liquidation Process) Regulation, 2017, the Liquidator made the public announcement in Form-A in “Times of India” in English and “Jai Hind” in Gujarati newspaper on 21.01.2022 calling upon the stakeholders to submit their claim with proof on or before 17.02.2022 wherein the liquidation commencement date was 18.01.2022. Thereafter, the Liquidator received only one claim from the operational creditor other than workmen and employee.
- viii. Further, in accordance with Regulation 14(3)(c) of the IBBI (Voluntary Liquidation Process) Regulations, 2017, the intimation about the initiation of voluntary liquidation of the company and public announcement was made to the IBBI and the same was uploaded on the website of IBBI on 20.01.2022.
- ix. In accordance with Regulation 9 of IBBI (Voluntary Liquidation Process) Regulations, 2017, the Liquidator filed a preliminary report dated 21.02.2022.
- x. The Income Tax Authority, the Registrar of Companies, IBBI, Goods & Service Tax Department and Banks were duly intimated about the corporate person’s voluntary liquidation and



appointment of the Liquidator. The Liquidator also intimated to Uday Oil Mill (Debtor) vide its letter dated 08.03.2022 via courier, however, the said intimation was returned to the office of the Liquidator due to the reason that debtor was not traceable.

- xi. Pursuant to Regulation 30 of IBBI (Voluntary Liquidation Process) Regulation, 2017, the list of stakeholders was duly prepared by the Liquidator and in compliance with the Regulation 34(1) of the IBBI (Voluntary Liquidation Process) Regulations, 2017, a separate Bank Account was opened on 03.02.2022 in the name of **'AAVI COTTEX PVT LTD IN VOLUNTARY LIQUIDATION'** with ICICI Bank situated at Satellite Area Branch, Shivallik 2, 132 Feet Ring Road, Jodhpur gam, Satellite, Ahmedabad-380015, Gujarat.
- xii. Since the Liquidator was in receipt of only one claim from the operational creditor for the total amount of Rs. 9,200/-, the said amount was admitted and paid off by the Liquidator in full.
- xiii. Pursuant to Regulation 35(1) of the IBBI (Voluntary Liquidation Process) Regulations, 2017, distributions were made to the equity shareholders according to their percentage of



shareholding. A copy of the same is annexed with the application.

- xiv. In compliance with the order dated 23.06.2023, the Liquidator filed an additional affidavit along with audited financial statements for the previous two years. The valuation of assets prepared by a registered valuer has already been filed.
- xv. Pursuant to Regulation 38 of IBBI (Voluntary Liquidation Process) Regulations, 2017, the Liquidator filed the final report dated 29.04.2022. As per the final report, the debt of the Corporate Person has been discharged to the satisfaction of the creditors and no litigation is pending against the corporate person. The voluntary liquidation bank account has also been closed on 27.04.2022. Further, pursuant to Regulation 38(1)(c) of IBBI (Voluntary Liquidation Process) Regulations, 2017, there are no further assets remaining to be realised in the said liquidation.
- xvi. Pursuant to Section 59 of IBC, 2016 r.w. Regulation 38(2) of IBBI (Voluntary Liquidation Process) Regulations, 2017, the final report was submitted with the RoC through Form GNL-2 vide SRN T98862744 on 02.05.2022 and the same was also submitted to IBBI via speed post on 04.05.2022. Further, in compliance of Regulation 38(3) of IBBI (Voluntary Liquidation



Process) Regulations, 2017, a compliance certificate in Form H is also produced on record.

xvii. As per the compliance certificate (Form H), details of distribution to stakeholders as per Section 52 or 53 of the IBC, 2016 is reproduced herein below:

4. Details of distribution to stakeholders as per section 52 or 53 of the Code

Sr. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	% of Amount Distributed to the Amount Claimed	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest [Sec. 52(1)(b)]			Not Applicable		
2	Liquidation Cost [Sec. 53(1)(a)]	2,03,806	2,03,806	2,03,806	100	N.A.
3	Workmen's Dues [Sec. 53(1)(b)(i)]			Not Applicable		
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]			Not Applicable		
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]			Not Applicable		
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]			Not Applicable		
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]			Not Applicable		
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	9,200	9200	9200	100	
9	Preference Shareholders [Sec. 53(1)(g)]			Not Applicable		
10	Equity Shareholders [Sec.53(1)(h)]	2,50,00,000	2,50,00,000	1,69,45,784	67.78%	
<b>Total</b>		<b>2,52,13,006</b>	<b>2,52,13,006</b>	<b>1,71,58,790</b>		

\*If there are sub-categories in a category, please add rows for each sub-category.

3. We have heard the learned counsel for the Corporate Person and perused the material available on record. It is noted that the Board of Directors of the Corporate Person has taken a conscious decision for closing down the company due to failure in the business affected by COVID-19 first and second waves. Hence, the members of the



Corporate Person vide its EOGM dated 18.01.2022 passed a resolution to liquidate the company voluntarily and to appoint Mr. Keyur J Shah as Liquidator.

3.1. It appears that the Liquidator, after his appointment, has duly performed his duties and completed the necessary formalities to complete the liquidation process of the Corporate Person-Applicant. It also appears that the realized amount has been duly distributed among the shareholders as per their claims. It is also evident that the proposed liquidation is duly communicated to the Registrar of Companies, Gujarat by filing Form MGT-14 and GNL-2 and that same is also reported to have been approved. After distributing the proceeds of the corporate person, the Liquidator filed its final report on 21.02.2022 wherein it is clearly stated that the debt of the Corporate Person has been discharged to the satisfaction of the creditors and no litigation is pending against the Corporate Person and there are no assets remaining to be realised in this liquidation.

3.2. As recorded in the daily order dated 15.09.2022, "*Learned counsel for the applicant states that the demand from the Income Tax Department is paid, and affidavit to that effect is filed. The Income Tax Department has given its NoC, which is annexed with the affidavit, the same is taken on record*". After the issuance of notice and in spite of giving



opportunities, no one appeared for the RoC. On 20.03.2023, one last chance was given to the RoC to file the reply otherwise the right to file reply would be closed. But no one appeared. Hence, on 28.04.2023 the right to file reply of RoC was closed by this Adjudicating Authority.

4. By taking into consideration, the above-stated facts and circumstances, the present application deserves to be allowed for the proposed dissolution of the Corporate Person. Hence, we pass the following order:

- I.** This Adjudicating Authority in exercise of power conferred to it under Section 59(8) of the IBC, 2016 orders that the Corporate Person (Applicant Company) - **M/s Aavi Cottex Private Limited (CIN: U17100GJ2013PTC075107)** shall stand dissolved from the date of this order.
- II.** The Liquidator is directed to communicate a copy of this order to the Registrar of Companies (Gujarat, Dadra and Nagar Haveli), wherein the registered office of the company is situated. Further, a copy of this order also be communicated to the IBBI, New Delhi and other Statutory Authorities for information. Such communication should be made within the stipulated period of fourteen (14) days from the date of this order.



**III.** The registry is also directed to communicate a copy of this order to the Registrar of Companies (Gujarat, Dadra and Nagar Haveli) as well as to the IBBI, New Delhi.

5. Accordingly, the present application i.e., CP(IB)/128/(AHM)/2022 stands allowed and disposed of.

**-SD-**  
**AJAI DAS MEHROTRA**  
**MEMBER (TECHNICAL)**

**-SD-**  
**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

Rajeev Kr. Sen/PS  
Rahul Singh/LRA