

**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

CP (IB) No.4/Vol./Chd/Pb/2021

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

In the matter of :

**Pritpal Singh Dua, Liquidator of
I V Share and Stock Brokers Ltd**

having its registered office at
82-B, Udham Singh Nagar, Ludhiana, Punjab PB 141001 IN
CIN U67120PB1995PLC016033

... Petitioner

Present:- Mr Karanveer Jindal, Advocate for the Petitioner.
Mr. Sukant Gupta, Senior Advocate for the Income Tax Department

Vide separate detailed order of even date, CP (IB)
No.4/Vol./Chd/Pb/2021 is allowed and disposed of, accordingly.

Sd/-

**(Subrata Kumar Dash)
Member (Technical)**

January 30, 2023
PRF

Sd/-

**(Harnam Singh Thakur)
Member (Judicial)**

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... Petitioner

Judgment delivered on: 30.01.2023

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

For the Petitioner : Mr Karanveer Jindal, Advocate

For the Income
Tax Department : Mr. Sukant Gupta, Senior Advocate

PER: HARNAM SINGH THAKUR, MEMBER (JUDICIAL)

JUDGMENT

1. The present Company Petition has been filed by the Liquidator, Mr. Pritpal Singh Dua on behalf of the I V Share and Stock Brokers Ltd 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. I V Share and Stock Brokers Ltd is a company incorporated under the provisions of the Companies Act, 1956, having CIN U67120PB1995PLC016033 and its registered office is situated at 82-B, Udham Singh Nagar, Ludhiana, Punjab PB 141001 IN.

2.2 It is stated that the main object of the company was to establish and carry on the business of stock broking as a member of recognised stock exchange(s) in India and other allied matters and for this purpose buy or acquire stock exchange membership either in India or abroad subject to bye laws/guidelines of Stock Exchange and/or SEBI as applicable from time to time. The Memorandum of Association and Articles of Association of the Company is attached as **Annexure A-1** of the petition.

2.3. The Authorized Share Capital of the Applicant Company is Rs.30,00,000/- divided into 3,00,000 Equity shares of Rs.10/- each. Whereas the issued, subscribed and paid-up capital is Rs.30,00,000/- divided into 3,00,000 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-2** 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 20.02.2020 (**Annexure A-4** of the petition), deposing therein that the company is not being liquidated to defraud any person. Certified true copies of audited financial statements for the year 2017-18, 2018-19 and from 01.04.2019 to 20.02.2020 have also been attached as **Annexure A-5** of the petition.

2.5 It is stated that the Board of Directors of the company have passed a resolution in the meeting held on 13.02.2020 to conduct the Extra Ordinary General Meeting (EOGM), as per Section 59(3)(c) of the Code. The copies of the minutes of the meeting and Board Resolution Dated 13.02.2020 is attached as **Annexure A-3** of the petition. The Board of Directors of the company convened an Extra Ordinary General Meeting on 20.02.2020 to pass a special resolution to voluntarily liquidate the company and to appoint Mr Pritpal Singh Dua, Insolvency Professional (Registration No.IBBI/IPA-002/IP-N00256/2017-18/10770) to act as the Liquidator. Copy of Minutes of the Extra Ordinary General Meeting dated 20.02.2020, along with the notice, has been attached as **Annexure A-6** of the petition.

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 “Business Standard” (English) and in “Rozana Spokesman” (Punjabi) edition on 22.02.2020 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 have been attached as **Annexure A-9 and A-10** respectively of the petition. It is stated that 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 GNL-2 and Form MGT-14 has been attached as **Annexure A-7 and A-8**, respectively of the petition.

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 submitted a Preliminary Report dated 29.02.2020 which is attached as **Annexure A-14** of the petition.

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 . The liquidator has also furnished an affidavit deposing that the company did not have any asset except bank balance, cash in hand and cash equivalents and hence there is no requirement to appoint the registered valuer and take report of the valuation of asset of the company as per Section 59(3) (b) (ii) of the Code

2.11 It is averred that in terms of Section 178 of the Income Tax Act 1961, the liquidator by letter dated 28th February, 2020 intimated the Income Tax Officer regarding his appointment in the Company as a Liquidator and received No Objection Certificate/consent from Income Tax Department. A copy of the letter dated 28.02.2020 sent to Income Tax Officer along with No Objection Certificate is attached as **Annexure A-12** of the petition.

2.12 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 **'I V Share and Stock Brk Ltd in vol liquid'**, with the HDFC Bank for the realization of money and payment to the members.

2.13 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.

2.14 The applicant liquidator has further informed that after adjustments of the taxes, fees and other charges, the amount lying in the bank account of the Company was finally disbursed to the shareholders/members as the return of capital and dividend. Further, the Bank account having NIL balance was closed down on 16.11.2020. The true copy of the Bank Statement in this respect are attached as **Annexure A-15** of the petition.

2.15 The balance sheet of the Company from 20.02.2020 to 16.11.2020 depicting NIL assets and NIL liabilities as on 16.11.2020 and the Receipt and Payment account from 20.02.2020 to 16.11.2020 are attached as **Annexure A-16** of the petition.

2.16 It is stated that due to covid-19 restrictions imposed by the Central Government and State Government, the liquidation process could not be undertaken during the lockdown period and the same was resumed, once the restrictions were relaxed by the Government.

2.17 In compliance with the provisions of Regulation 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, the liquidator prepared a final report on 07.01.2021 and submitted the same to the Registrar of Companies and to the Insolvency and Bankruptcy Board of India on 11.01.2021. A copy of e-Form GNL-2, along with challan and proof of despatch to IBBI, are attached as **Annexure A-17** 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 management of the Company thought it fit to liquidate the Company voluntarily and consequently, the Board of Directors of the company in its meeting held on 13th February, 2020 have passed a resolution for voluntary liquidation of the company in terms of Section 59 of IBC. 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 13.02.2020 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 Pritpal Singh Dua, Insolvency Professional (Registration No. IBBI/IPA-002/IP-N00256/2017-18/10770) 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, Insolvency and Bankruptcy Code of India and Income Tax Department by order dated 08.03.2022.

10. In compliance with the above order, RoC filed its report by Diary No.00127/2 dated 22.04.2022, whereby it has stated that no inquiry/inspection/complaint/legal action has been proceeded/pending against the subject company. The Income Tax Department has also filed its report by Diary No.00127/3 dated 27.05.2022, stating that the Department has no objection to the proposed voluntary liquidation of Company. The petitioner company has also filed the report submitted by the IBBI as **Annexure-A1** Diary No.00127/7 dated 19.09.2022 wherein, the Board had also submitted that neither any action is contemplated, nor action is pending against the liquidator and the Board has no observations against the dissolution of Corporate Debtor.

11. 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.

12. 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 HDFC Bank, 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.

13. The Liquidator has also annexed a copy of the preliminary report dated 29.01.2020, a copy of the Final Report dated 07.01.2021, and e-Form GNL-2.

14. 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.

15. 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) **I V Share and Stock Brokers Ltd** shall stand dissolved with effect from the date of this order i.e. 02.12.2022.

16. 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.

17. 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).

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

Sd/-

(Subrata Kumar Dash)
Member (Technical)

January 30, 2023
SA/PRF

Sd/-

(Harnam Singh Thakur)
Member (Judicial)