



**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH-VI**

(IB)-794/ND/2022

IN THE MATTER OF:

LF FINANCIAL SERVICES PRIVATE LIMITED

HAVING ITS REGISTERED OFFICE AT:

F-2/5 MODEL TOWN - II NEW DELHI 110009

UNDER SECTION: 59(7) of IBC, 2016

CORAM:

**SHRI P.S.N. PRASAD, HON'BLE MEMBER (JUDICIAL)
SHRI RAHUL BHATNAGAR, HON'BLE MEMBER (TECHNICAL)**

PRESENT- Mr. Anang Kumar Shandilya, Liquidator

ORDER

PER: SHRI RAHUL BHATNAGAR, MEMBER (TECHNICAL)

Date: 22.12.2022

1. This application is filed by the Liquidator under section 59 of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 seeking dissolution of M/s LF Financial Services Private Limited (hereinafter referred to as the ("Company")).

(IB)-794/ND/2022

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Page 1 of 8



2. That the aforesaid Company was incorporated on 06.03.2020 under the provisions of Companies Act, 2013 having CIN No. U65990DL2020FTC362642. The registered office of the Company is situated at F-2/5 Model Town - II New Delhi 110009 which lies within the territorial jurisdiction of this Bench.

3. That the following averments have been made in the petition:-

- That the company was incorporated with the objective of carrying business of financing, leasing, hire purchase, installment sale, letting asset credit and to give credit on any terms or mode, whether with or without security or assist in financing so as to provide a full range of such financial services to individuals, body corporates, firms, associations /societies, industrial enterprise or any other entity, to enter into guarantees, contacts of indemnity of all kinds and to secure or guarantee in any manner and upon any terms the payment of any sum of money on the performance of any obligation by any person, firm or company or perform such activities as may be permitted by the applicable laws, to transfer/ assign/ delegate the loan portfolio with its specific rights and obligations to any third party or to accept transfer/assignment/delegation of any loan portfolio with its specific rights and obligation from any other third party, in accordance with the relevant regulatory



requirements and subject to necessary approvals from the regulators and/or authorities.

- The Applicant Company is not carrying any business since its incorporation. As per Section 59 of the Insolvency and Bankruptcy Code, 2016, the Board of Directors in Board Meeting dated 07.07.2022 considered the matter that company was incorporated to undertake the business of Non-Banking Finance Company and the Company did not receive NBFC registration from RBI for commencement of its business, hence, proposed to close down the company by way of voluntary liquidation. The Directors of the Company, made a Declaration of Solvency on 07.07.2022. The declaration by all of 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, NCT of Delhi & Haryana.
- As proposed by the Board, the members of the Company in their Extraordinary General Meeting held on 13.07.2022 passed a special resolution required under Section 59 of the Code read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (hereinafter referred to as Regulations) to liquidate the Company voluntarily and



appointed Mr. Anang Kumar Shandilya, Insolvency Professional, having IP registration No. IBBI/IPA002/IP-N00882/2019-20/12826, to act as Liquidator of the Company. Further, as there were no creditors in the Company as on July 13, 2022, hence, no consent was taken in this regard.

- The Liquidator made a Public Announcement of commencement of liquidation in Form A, in "Financial Express", English Newspaper and in "Jansatta" Hindi Newspaper on 16.07.2022, seeking submission of the claim by the stakeholders, if any, within 30 days for the date of commencement of liquidation i.e. August 12, 2022. The Public Announcement was simultaneously submitted to the Insolvency and Bankruptcy Board of India (IBBI) to place the same on its website which was duly published by IBBI. Further, the commencement of liquidation and appointment of Liquidator was submitted to the Registrar of Companies, NCT of Delhi & Haryana by filing e-form GNL-2.
- The liquidator has opened a new bank account of the company naming as "LF Financial Services Private Limited in voluntary liquidation" with ICICI Bank for realisation and payment to the Creditors or Members. Further, the Liquidator did not receive any claim from creditors till the



last date of receiving claims. The Liquidator submitted its Preliminary Report to the Company on August 18, 2022.

- As per provisions of Section 178 of the Income Tax Act, 1961, the Liquidator intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority and for seeking its No-Objection Certificate on 20.07.2022.
- Post payment of the liquidation cost and other related expenses thereof, an amount of Rs. 1,66,81,331.56/- (One Crore Sixty Six Lakh Eighty One Thousand Three hundred Thirty One and fifty six paisa) was distributed among the equity shareholders of the company in proportion to, their shareholding on October 13, 2022. A certificate with respect to all Receipts and Payments duly certified by the Statutory Auditor of the company was given by M/s RKACA & Associates LLP, Chartered Accountants on October 13, 2022. With the aforesaid payments to the Members, the assets of the Company were fully liquidated.
- Further, the liquidator submitted a copy of Final Report, along with the Auditors Certificate on the liquidation, showing Receipts and Payments pertaining to liquidation



since the Liquidation Commencement Date, with Registrar of Companies, NCT of Delhi & Haryana and also submitted a copy of the same to IBBI. Subsequent to the payment to the Members of the Company as it does not have any creditor, the Liquidator has closed the liquidation Account on placed on record certificate from bank certifying closure of bank account of the company.

- The Liquidator, in accordance with provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016 read with IBBI (Voluntary Liquidation Process) Regulations, 2017, has completed the liquidation of the Applicant Company.

4. We have gone through the application filed by the applicant/ Liquidator seeking dissolution in terms of section 59(7) of the Code.
5. That as per provisions of Section 178 of the Income Tax Act, 1961, the Liquidator intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority and for seeking its No-Objection Certificate on 20.07.2022. However, the IBBI vide its Circular No. IBBI/LIQ/45/2021 dated 15.11.2021, clarified that the provisions of the Code read with the IBBI Regulations, an Insolvency Professional handling voluntary liquidation process



is not required to seek any no objection certificate from the Income Tax Department for the dues of the Company.

6. The Liquidation Account maintained at ICICI Bank was closed and Bank's Letter evidencing closure of the Bank Account No. 777705111827 has also been placed on record by the applicant. Copy of the same is attached as under:-

 **ICICI Bank**

①

Date:-09-11-2022

To Whom so ever it may concern

This is to certify that the account of "M/S LF FINANCIAL SERVICES PRIVATE LIMITED INVOLUNTARY LIQUIDATION ACCOUNT " with A/c No:- 777705111827,has been closed on 07-11-2022.

This certificate has been issued on specific request of "M/S LF FINANCIAL SERVICES PRIVATE LIMITED INVOLUNTARY LIQUIDATION ACCOUNT "without risk and responsibility of the bank or any of its official.

For ICICI Bank



Authorized signatory

7. In view of the foregoing steps taken and the satisfaction accorded by the Liquidator by way of the present application, there is no legal impediment in allowing the prayer of the applicant. Accordingly, we hereby allow the Prayer of Liquidator

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Page 7 of 8



to dissolve the company U/S 59(7) of the Code and the said company is hereby dissolved with effect from the date of the present order. Under Regulation 41 IBBI (Voluntary Liquidation Process), the Liquidator is directed to preserve a physical or electronic copy of the reports, registers, books of account including Bank's Letter evidencing closure of the Bank Account maintained at ICICI Bank and other documents referred to in Regulation 8 and 10 for at least eight years for electronic copy and at least three years for physical copy after the dissolution of the company at a secure place.

8. A copy of this order be filed with the RoC within the statutory period as per the applicable provisions.

9. File be consigned to the Record Room.

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(RAHUL BHATNAGAR)
MEMBER (TECHNICAL)

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MEMBER (JUDICIAL)



Pronounced today under Rule 151 of National Company Law Tribunal Rules, 2016 as Hon'ble Member Judicial Shri P.S.N Prasad is not holding Court today.

— Sd —

Court officer

22.12.2022