NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-II), CHANDIGARH

CB(IB) No. 210/Chd/Hry/2023

(Application under section 59 of the Insolvency and Bankruptcy Code, 2016)

<u>IN THE MATTER OF</u>:

CS Vekas Kumar Garg
Liquidator for:
Sumitomo Forestry India Private Limited
having registered office at:
Unit No. 52A Centrum Plaza Golf Course Road,
Sector 53, Gurgaon HR 122002

……Petitioner

vs.

1. **Registrar of Companies, Delhi**
Address: 4th Floor, IFCI Tower,
61, Nehru Place, New Delhi - 110019

…Respondent No. 1

2. **Insolvency & Bankruptcy Board of India**
Address: 7th Floor, Mayur Bhawan,
Shankar Market, Connaught Circus,
New Delhi -110001

…Respondent No. 2

Order delivered on: 25.09.2025

Coram: KHETRABASI BISWAL, MEMBER (JUDICIAL)
KAUSHALENDRA KUMAR SINGH, MEMBER (TECHNICAL)

<u>Appearance:</u>
For the Liquidator: Mr. Mast Ram Chechi, PCS and Mr. Vekas Kumar Garg, Liquidator in person through video-conferencing mode

<u>ORDER</u>

1. The present Petition has been filed by the Liquidator, Mr. Vekas Kumar Garg, under section 59 of the Insolvency and Bankruptcy Code, 2016 (the Code) r/w the Insolvency and Bankruptcy Board of India

(Voluntary Liquidation Process) Regulations, 2017, (the IBBI Regulations) seeking the order of dissolution of the Corporate Person i.e. Sumitomo Forestry India Private Limited (hereinafter referred as "Corporate Person").

2. The averments made by the Petitioner in its Petition and presented/argued by the Petitioner are summarized hereunder:

(i) The Corporate Person is a 'private limited company' incorporated on November 20, 2015 and registered under the provisions of the Companies Act, 2013 with CIN: U02000HR2015FTC057332 and having its registered office at Unit No. 52A Centrum Plaza Golf Course Road, Sector 53, Gurgaon HR 122002.

(ii) The Main objects of the Company for which the Corporate Debtor was incorporated were:

"To manufacture, process, import export, sell and purchase (including by way of electronic commerce on a business basis as well as establishing an electronic "marketplace" platform in order to facilitate sale and purchase for the purpose of business transactions, the same shall apply hereinafter) timber and forest products subject to consent and approvals from the concerned government as may be required under the laws of India. To produce, import, export, sell and purchase gardening plants and trees and to manufacture, import, export, sell and purchase materials for gardening."

(iii) As required under section 59(3) of the Code and Regulation 3(1) of the IBBI Regulations, the Corporate person filed a declaration of solvency dated 15.12.2021. Copy of Declaration of Solvency by way of an Affidavit along with Audited Financial Statements for the two financial years and record of business operations of the Corporate Person for the previous two years are enclosed at Annexure A-4 and Annexure A-5 to the Petition.

(iv) As proposed and resolved by the Board of Directors in its meeting dated 17.12.2021, the members in Extra Ordinary General Meeting dated 27.12.2021, passed a special resolution required under section 59 of the Code to liquidate the company and also to appoint Mr. Vekas Kumar Garg, CS as the liquidator of the Corporate person for the purpose of voluntary liquidation.

(v) The copy of the the resolutions, Declaration of Solvency, Record of Business operations and Financial Accounts were filed before the Registrar of Companies (RoC) in e-form GNL-2 on January 10, 2022 vide SRN: T71244719, which was duly approved by the RoC. The Company also completed its compliance by filing e-form MGT-14 vide SRN T69563559 to RoC along with submissions of the relevant extract of resolution(s) passed in the EGM dated December 27, 2021 on December 31, 2021. The said e-form got duly approved by the RoC.

(vi) As per the provisions of Regulation 14 of the IBBI Regulations, on 29.12.2021, the liquidator had made a public announcement in Form-A published in "The Times of India" in English and "Nav Bharat Times" in Hindi and the copies of the same was also submitted to IBBI. The Liquidator had also submitted the communications to the Statutory Authorities / Banks for giving intimation with regard to commencement of the liquidation proceedings in relation to corporate persons namely, Income Tax Department, SMBC Bank, HDFC Bank, RoC, State Excise, RBI (foreign exchange department) & GST Department. The last date for submission of the claims by the stakeholders was 26.01.2022.

(vii) Upon commencement of the liquidation process, the Bank Account with SMBC Bank was converted into a Liquidation Account titled as "Sumitomo Forestry India Private Ltd - In Liquidation" while having the same account number.

(viii) The Preliminary Report under Regulation 9 of the Voluntary Liquidation Regulations was submitted by the Liquidator on February 10, 2022 to the Company.

(ix) The Liquidator had also submitted an application for cancellation of various statutory registrations as issued in the name of the Corporate person from IEC Code, GST, TDS and Income Tax. The IEC Code No. and GST Registration of the corporate persons have been cancelled by these departments on 23.05.2022 & 25.04.2022 respectively. The application has already been made by the Liquidator for cancellation of TDS after ensuring that there is no amount due and payable by the company to these departments.

(x) The Company did not have any secured creditors, unpaid dues towards employees, outstanding government dues and preference shareholders at the time of the commencement of liquidation. The Liquidator has not received any claím from the stakeholder consequent to the public announcement dated 29.12.2021 as issued by him.

(xi) There was an outstanding demand showing on TDS (TRACES) portal of the Income Tax Department relating to the company for the earlier year(s). The Liquidator has made the total payments of Rs. 61,250/- with regard to tax demand as appearing on TRACES portal. After payment of the outstanding demand as raised, there remains no liability as pending on the company. The Liquidator did not receive any claim in this regard from the Income Tax Department. In accordance with the requirements of IBBI Circular dated 15th

November, 2021 the Liquidator is not obliged to obtain Income Tax Clearance Certificate from the department.

(xii) During the course of the Liquidation, the Liquidator had received a demand from the parent company of the corporate persons viz SFC, Japan with regard to the demand as raised by tax authorities in Japan with respect to the non-deduction of applicable withholding tax by the parent entity viz SFC-Japan while making payments in favour of corporate persons earlier for an amount of JPY 33,02,857/-. The Parent company had raised a demand in this regard from the corporate person. The aspect was discussed in a meeting of the contributories held on 14.07.2022. Therefore, in consonance with the decision of the contributories of the stakeholders and after meeting the statutory compliances in the matter, the Liquidator had effected the payment with respect to the tax demand arrears to SFC, Japan through the Authorized Dealer on dated 01.11.2022 for a total amount of Rs. 18,57,528.28/- including account transfer charges of the bank prevailing at that time.

(xiii) The Company holds no tangible assets. The Company had only current assets in the form of 'cash & bank balances' as on the liquidation commencement date i.e., December 27, 2021. As such, the provisions enumerated in Regulation 31 of the Voluntary Liquidation Regulations regarding the manner of sale were not applicable.

(xiv) The Liquidator also got cancelled the VAT Registration of the corporate person and got released the Bank Guarantee (BG No. 003GT01161930017 & 003T01161930019) of amount of Rs. 50,000/- each as furnished in favour of VAT Department, Haryana. Thereafter, the Liquidator had got cleared the Fixed Deposit Receipts as lien marked by HDFC Bank towards BG issuance. The FD amount was credited to the HDFC Account. Thereafter, the amount lying with HDFC Bank account was transferred to the Liquidation Account maintained with SMBC Bank.

(xv) The total assets realisation value as per Form H in cash/bank balance and Realization from Income Tax Refund/ Others amounted to Rs. 6,11,87,372/-. Details of distribution to stakeholders is given hereunder:

S.No.	**Stakeholders as per Section 52 ad 53(1)**	**Amount distributed (in INR)**
1.	Liquidation Cost (Section 53(1)(a)]	42,88,320.80/-
2.	Any remaining debts and dues[Section 53(1)(f)]	25,72,456/-
3.	Equity Shareholders [Section 53(1)(h)]	5,43,26,595/-
	Total	**6,11,87,372.52**

The details of distribution to the contributories as against their Share Capital are provided hereunder:

S. No.	**Name of the contributory**	**Share Capital**	**Amount distributed (in INR)**	**Date of Remittance**
1.	Sumitomo Forestry(Co.) Limited (Japan)	10,00,000	5,43,266/-	08.02.2023
2.	Sumitomo Forestry (Singapore) Ltd.	9,90,00,000	5,37,83,329/-	08.02.2023
	Total Amount paid to contributory		5,43,26,595/-	

(xvi) The Liquidator had convened an Annual Meeting of the contributory of the Company on January 10, 2023 in compliance with the Regulation 37(2)(A) of the Voluntary Liquidation Regulations, 2017. The Meeting considered the Annual Status Report prepared by the Liquidator along with the other items.

(xvii) The Liquidator had closed the Bank Account of Corporate Person with HDFC Bank on 20.02.2023. It is submitted that the Liquidator after repatriation of the amount to the contributories had also applied to SMBC Bank for closure of the Liquidation Account on dated 23.02.2023. However, due to the some pending non-compliances by the corporate person relating to filing of FORM-15CA/CB with regard to off-shore payments made by the corporate persons in the year prior to the commencement of the liquidation, the Bank was not able to close the Liquidation Account of the corporate persons. Subsequently after making the statutory compliances in this regard, the Bank had closed the Liquidation Account of the company on dated 21st June, 2023.

(xviii) Pursuant to Regulation 8(1)(d) read with Regulation 38 of the IBBI Regulations, the Liquidator prepared a Final Report on 21.06.2023 and forwarded to the IBBI and RoC via email dated 22.06.2023. The same was also filed with RoC through e-Form GNL-2 on 12.07.2023 vide SRN AA3442074 and also sent to the contributory / stakeholders of the company by E-mail.

(xix) Pursuant to Regulation 37(4) of the IBBI regulations the Liquidator has filed the Status Report with the Board via E-mail on 22.06.2023.

3. In Compliance of the order dated 25.08.2023, the Petitioner filed an affidavit and made the following submissions:

(i) There are no pending transactions with regard to any guarantee/guarantee obligations of the body corporate.

(ii) In accordance with the relevant provision of Income Tax, 1961 (including provision of Section 45, Section 46 and Section 116 etc of the Income Tax Act, 1961) and any other law, there was no requirement of deduction of tax while repatriating the amount to the non-resident shareholders as per the details provided in the above application.

(iii) All related FEMA Compliance(s) in the matter has been followed by the applicant /liquidator in the above matter.

(iv) The Auditor's Certificate confirming compliance to the provisions of Accounting Standard with regard to repatriation of the capital, is enclosed as Annexure-2 to the affidavit.

4. Vide order dated 07.07.2025, the Liquidator was directed to place on record the payments made to employees, including any gratuity-related disbursements, or to submit the updated balance sheet, if available, as of the date of initiation of liquidation. In Compliance of the same, the Petitioner detailed the payments to total outside liabilities as payable to the creditors (including employees, gratuity and others). Liquidator also attached the extract of the bank statement of SMBC Bank/ Copies of ledger account of relevant parties in support and evidence of the payments of those liabilities. There is no amount of Equity / related components that have been paid off by the company at any time prior to commencement of voluntary liquidation. The Equity Amount were repatriated to the Stakeholders / Equity Shareholders of the body corporate by the Liquidator after payment of all outside liabilities in compliance with the provisions of 53(1) of the Code read with provisions of the Voluntary Liquidation Regulations

5. The RoC filed its report in compliance with the order dated 21.09.2023. It stated that no inquiry / inspection / complaint /legal action is pending against the subject company.

6. We have heard the learned Counsel appearing for the Liquidator and have gone through the material available on record carefully.

7. It is noted that the Board of Directors vide board meeting dated 17.12.2021 and the shareholders vide Extra Ordinary General Meeting dated 27.12.2021 has resolved to liquidate the Corporate person under the provisions of section 59 of the Code. Mr. Vekas Kumar Garg was appointed as the liquidator of the Corporate person. Further, after completion of the liquidation process, the liquidator has prepared the final report under Regulation 38 of the IBBI Regulation and also made the disclosure under the final report as under:

i. The company had no fixed assets as on date which remains to be sold;
ii. The company had no Creditors as on the date; and
iii. No litigation is pending against the corporate person.

8. The voluntary liquidation process has been completed as per the applicable provisions of the Code and the IBBI Regulations and the final report has been submitted to the RoC and IBBI.

9. We further note that the affairs of the company and its assets have been completely liquidated. Moreover, it is not the case that the proposed liquidation/dissolution of the Corporate Person is going to adversely affect its shareholders/creditors or such dissolution is contrary to the provision of any law. No allegation of fraud has been made by any party. Further, there are no creditor and Regulatory compliances have duly been done.

10. Hence, by considering the above facts of the case, we hold that the present Petition deserves to be allowed in terms of its prayer made in the Petition.

11. Consequently, this Adjudicating Authority, in exercise of power conferred to it under section 59(7) of the Code, orders and directs that the Corporate Person i.e. Sumitomo Forestry India Private Limited shall stand dissolved from the date of this order.

12. Accordingly, the Company Petition bearing CP(IB) No. 210/Chd/Hry/2023 stands allowed and disposed of.

13. The Liquidator is further directed to communicate a copy of this order to the Registrar of Companies, Delhi and Haryana, within a period of 14 days from the date of this Order.

Sd/-
(Kaushalendra Kumar Singh)
Member (Technical)

Sd/-
(Khetrabasi Biswal)
Member (Judicial)

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