

①

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH – I, CHENNAI

CP(IB)/27(CHE)/2022

(Filed under Sec. 59(7) & (8) of the Insolvency and Bankruptcy Code, 2016
read with Regulations 3 of the IBBI (Voluntary Liquidation Process)
Regulations, 2017)

In the matter of *M-System India Private Limited*

Ranjeet Kumar Verma,
Liquidator of M-System India Private Limited
(Under Voluntary Liquidation)
No.24, 2nd Street, Civil Aviation Colony,
Nanganallur, Chennai – 600 061

... Liquidator / Applicant

Present:

For Applicant : Ranjeet Kumar Verma, PCS

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)

Order Pronounced on 23rd June 2023

ORDER

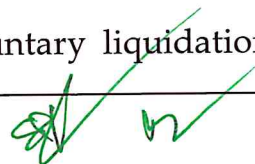
Per: SAMEER KAKAR, MEMBER (TECHNICAL)
(Hearing conducted through VC)

This is a Company Petition filed by the Liquidator in relation to
the voluntary liquidation of *M-System India Private Limited* with CIN:
U72900TN2015FTC102340, under Section 59(7) of the Insolvency and

Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking dissolution of the Company.

2. The Applicant Company was incorporated on 28.09.2015 under the provisions of the Companies Act, 2013. The main object of the Company was to carry on the business of wholesale of measuring instruments, detectors, information technology equipment's and operations equipment's and related instruments used in connection with any of the above businesses and of mechanical and scientific appliances, apparatuses and devices of every description whatsoever and generally to conduct, buy, sell, manufacture, repair, convert, alter, let on hire and carry-on business and operations incidental thereto etc. The details of the main objects are set out in the Memorandum of Association.

3. It is stated that the business of the Applicant has become unviable mainly due to market conditions for its products, higher duties and taxes and steep operating costs. The Board of Directors of the Applicant has made pragmatic efforts to assess the future business feasibility and found that it will not be financially profitable and viable to continue the business as a going concern. Hence, a Board meeting was held on 09.11.2020 to consider winding up and voluntary liquidation of the



Company as per the provisions contained under Section 59 of the Insolvency and Bankruptcy Code, 2016, wherein a Resolution was passed to conduct the Extraordinary General Body Meeting on 05.12.2020.

4. In the Extraordinary General Meeting of the Shareholders of the Company which took place on 05.12.2020 it was unanimously resolved to appoint the Applicant herein to act as a liquidator for conducting voluntary liquidation process in relation to the Company under Section 59 of IBC, 2016.

5. It is submitted that the Applicant herein has conducted the Voluntary Liquidation process in respect of the Company in Liquidator in accordance with the IBBI (Voluntary Liquidation Process) Regulations, 2017. The details of the relevant compliances as mandated under Section 59 of the IBC, 2016 read with the IBBI (Voluntary Liquidation Process) Regulations, 2017 are listed hereunder:-

S. No	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Sec. 59 (3)	Board Meeting approving voluntary liquidation and notice for Extraordinary general meeting dated 05.12.2020	ANNEXURE B
2	Sec. 59 (3)	Audited Financial statements for the years 2018-19 and 2019-20.	ANNEXURE B

3	Sec 59 (3) (c) And Reg 3 (1) (c)	EGM dated 05.12.2020 approving the voluntary liquidation	ANNEXURE D
4	Section 59 (4) and Reg 3 (2)	Declaration of solvency filed with ROC in Form GNL-2 dated 07.12.2020.	ANNEXURE C
5	Section 59 (4) and Reg 3	Special Resolution for voluntary liquidation passed by shareholders in EGM vide Form MGT-14 dated 07.12.2020.	ANNEXURE F
6	Regulation 14	Form A Public Announcement in Trinity Mirror (English) and Makkal Kural (Tamil) dated 07.12.2020 and IBBI website dated 07.12.2020.	ANNEXURE E
7	Section 178 of IT Act, 1961	Intimation to the IT Department and request for NOC dated 21.10.2021	ANNEXURE H
8	Reg 9	Date of filing of preliminary report dated 18.01.2021	ANNEXURE G
9	Reg 34	Opening of Bank Account in the name of the Company followed by the words "in liquidation " in a Scheduled Bank	It is averred in Para 9 of the Application that the Bank Account was changed to M-System India Pvt Ltd (in Liquidation Account)
10		Proof of Closure of Liquidation Bank Account of Mizuho Bank Ltd dated 12.01.2022	Filed as a Separate typeset vide S.R.No.1454 dated 30.03.2023
11	Reg 38	Filing Final report dated 28.10.2021	ANNEXURE J
12	Reg 38	Final report in GNL-2 filed with the ROC	ANNEXURE K
13	Reg 38	Submission of Final Report to IBBI dated 28.01.2022	Filed as a Separate typeset
14	Reg 38	Form-H – Compliance certificate dated 30.06.2022	Filed as a Separate typeset vide S.R.No.3993 dated 01.07.2022

6. It is submitted that the Liquidator has not received any claims during the process of liquidation. Further, after making various payments including liquidation costs as per the provisions of Section

53(1) of IBC, 2016, the Liquidator has distributed the funds among the shareholders as detailed below:

Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest	Nil	Nil	Nil	Nil	Nil
2	Liquidation Cost [Sec. 53(1)(a)]	17,99,094.08	17,99,094.08	17,99,094.08	100%	
3	Workmen's Dues [Sec. 53(1)(b)(i)]	Nil	Nil	Nil	Nil	Nil
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	Nil	Nil	Nil	Nil	Nil
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	Nil	Nil	Nil	Nil	Nil
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	Nil	Nil	Nil	Nil	Nil
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]	Nil	Nil	Nil	Nil	Nil
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	230,834	230,834	230,834	100%	Payment to creditors
9	Preference Shareholders [Sec. 53(1)(g)]	Nil	Nil	Nil	Nil	Nil
10	Equity Shareholders [Sec.53(1)(h)]	43,61,573.35	43,61,573.35	43,61,573.35	100%	
Total		63,91,501.43	63,91,501.43	63,91,501.43		

7. It is pertinent to highlight the order of this Tribunal dated 10.04.2023 wherein it is extracted hereunder:

ORDER

The Applicant is represented by Ld. Counsel Mr. Vikas Kumar through video conferencing mode.

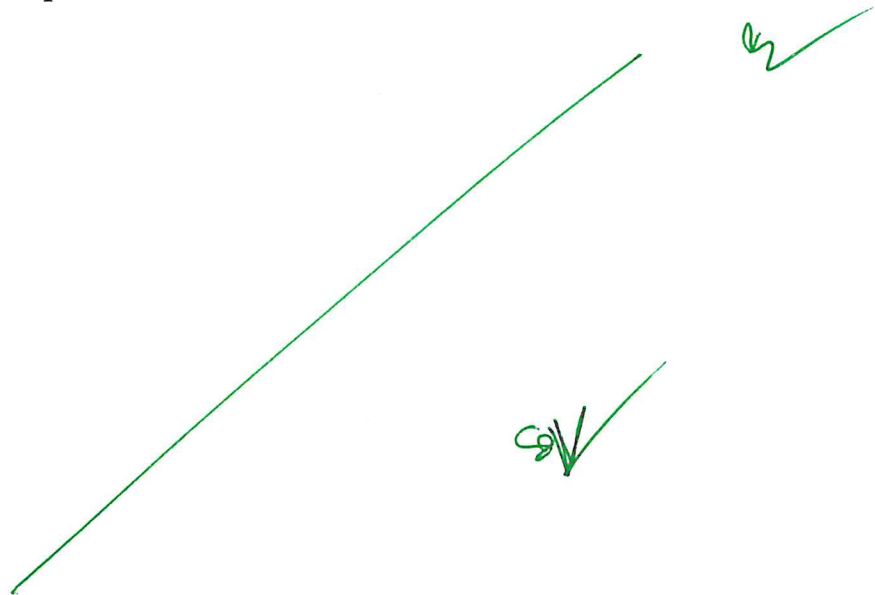
It is seen that voluntary liquidation process commenced on 05.12.2020, this application has been filed on 21.01.2022 and the affidavit has been sworn on 19.01.2022. Thus the liquidation process has carried on beyond a period of one year.

Ld. Counsel Mr. Vikas Kumar is unable to point out the relevant resolution through which extension of voluntary liquidation period was obtained from the shareholders.

Counsel for the Applicant is directed to file the same by way of additional affidavit within period of 7 days from the date of this order along with synopsis, if not filed earlier:

List the matter on **04.05.2023** for further hearing.

8. It is seen from the record that the Applicant/Liquidator has complied the above said order. He has filed an affidavit vide S.R.No.1920 dated 03.05.2023 and placed the resolution passed by the shareholders of the applicant to accord the consent for extension of the liquidation period. The said resolution is extracted hereunder:





M-SYSTEM INDIA PRIVATE LIMITED
CIN No.: U72900TN2015FTC102340
No. 24, 2nd Street, Civil Aviation Colony,
Nanganallur, Chennai-600061, Tamil Nadu

EXTRACT FROM THE PROCEEDINGS OF THE EXTRA ORDINARY GENERAL MEETING OF M/S M-SYSTEM INDIA PRIVATE LIMITED HELD ON TUESDAY ON THE 2nd DAY OF MAY 2023 AT No. 24, 2nd STREET, CIVIL AVIATION COLONY, NANGANALLUR, CHENNAI 600061, TAMIL NADU AT 10:00 A.M. (IST)

EXTENSION OF TENURE OF MEMBERS VOLUNTARY WINDING UP:

“RESOLVED THAT pursuant to section 59 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 (IBC, 2016) read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation process) regulations, 2017, the applicable provisions of the Companies Act, 2013, Foreign Exchange Management Act, 1999 including and rules or regulations made thereunder including any amendment thereof, the members of the company be and is hereby took note of the status of the liquidation process and also accord the consent to extend the liquidation period till such time until the completion of the requisite process under the applicable law. .”

“RESOLVED FURTHER THAT Mr. R. Naresh, Mr. N E Ravi Kumar, Mr. Ranjeet Kumar Verma, including their delegates, be and are hereby severally authorised to submit necessary documents and forms including extract of the resolution, affidavits, before the National Company Law Tribunal, Registrar of Companies, Regional Director and to do all such acts and things, as may be required, specifically in connection with the aforesaid resolutions.”

“RESOLVED FURTHER THAT certified true copy of this resolution wherever required be furnished to the concerned authorities under the signature of any one of the representative authorised above.”

/Certified true copy/
For M System India Private Limited

R Naresh
Authorised Signatory

9. Thus, on examining the submissions made on behalf of the Applicant and after perusing the documents annexed to the Application, we find that the affairs of the Company have been completely wound up and the assets of the Applicant Company have been completely liquidated and as such the Applicant Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we hereby order the dissolution of **M-System India Private Limited**. The Applicant Company shall stand dissolved from the date of this order. Accordingly, the Company Petition stands **allowed**.

10. The *Registry* and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, Chennai, and also to IBBI, within 14 days from the date of this Order.



SAMEER KAKAR
MEMBER (TECHNICAL)



SANJIV JAIN
MEMBER (JUDICIAL)