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

CP/1216/2019
(Filed under Sec. 59 of the Insolvency and Bankruptcy Code, 2016)

In the matter of ***M/s. Varam Capital Private Limited***

Varam Capital Private Limited
(In Voluntary Liquidation)
CIN: U65993TN1991PTC087497
Represented by N.A. Srinivasan – Liquidator
Plot No. 3726, Door No.41,
6th Avenue, Q – Block,
Anna Nagar,
Chennai – 600 040

... Petitioner

Present:

For Petitioner : *T.V. Suresh Kumar, Advocate*

CORAM :

R. VARADHARAJAN, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)

Order Pronounced on 9th July 2020

ORDER

***Per:* R. VARADHARAJAN, MEMBER (JUDICIAL)**

1. This is a Company Petition filed by *M/s. Varam Capital Private Limited* under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking for the dissolution of the Petitioner Company.

2. The Petitioner Company was originally incorporated on 09.09.1991 under the provisions of the Companies Act, 1956 in the name and style of M/s. Karpaga Ganapathi Investments Private Limited and subsequently changed its name as M/s. Varam Capital Private Limited and also a fresh certificate of incorporation to this effect was issued by the Registrar of Companies on 26.09.2013. The main objects of the Company is to carry on the business of financial development activities through long term loan, SME loans, housing loans and other forms of lending, through agency or business partner whether secured or unsecured, such as leasing, hire purchase, project finance, venture capital, commodity futures, derivatives, social venture and investment funds directly or as intermediary for other companies or organizations upon such terms and conditions as the Company may think. The details of the main objects are set out in the Memorandum of Association which is filed along with the typed set.

3. The Petitioner Company at present has two Directors (1) Hemalatha Rajan (DIN: 00115674) and (2) Venkatesan Suresh (DIN: 08424295). The Authorized Capital and the Issued, Subscribed and Paid Up Capital of the Petitioner Companies are as follows;

Description	No. & Type of Shares	Amount per Share	Total Amount
Authorized Capital	10,30,00,000 Equity Shares	Rs.10/-	**Rs.1,03,00,00,000/-**
	47,50,000 Preference Shares without voting rights	Rs.10/-	**Rs.4,75,00,000/-**
Issued Subscribed and Paid up Capital	97,69,303 Equity Shares	Rs.10/-	**Rs.9,76,93,030/-**

4. The Petitioner Company is a Non – Banking Finance Company and had obtained a Certificate of Registration vide No. B-07-00667 from Reserve Bank of India dated 17.12.2013 to commence / carry on the business of Non – Banking Financial institution without accepting public deposit and subsequently the Petitioner Company had entered into a Business Transfer Agreement dated 29.01.2019 with on M/s. Dvara Kshetriya Gramin Financial Services Private Limited and transferred all its business, assets and liabilities to the said Company.

5. It is stated that after the transfer of the entire business including the assets and liabilities to M/s. Dvara Kshetriya Gramin Financial Services Private Limited, the Petitioner Company have requested the Reserve Bank of India vide letter dated 31.01.2019 to cancel the NBFC licence and the Reserve

Bank of India have also accepted for the cancellation of the license of the petitioner Company vide letter dated 01.04.2019.

6. The Board of Directors of the Petitioner Company have declared on Affidavit dated 23.04.2019 that they have made full enquiry into the affairs of the Company and have formed an opinion that the Company has no debts or any claims that may be raised during the liquidation process and that the Company will be able to pay its debts / claims in full from the proceeds of assets to be sold in voluntary liquidation. The Directors have appended to the affidavit the audited financial statement of the Company for the two years ended on March 31st 2018 and March 31st, 2019 and the year to date audited balance sheet as of April 19th, 2019. Thus, the Petitioner Company has made compliance as to Section 59(3)(a) and (b) of IBC, 2016.

7. The members of the Petitioner Companies convened an Extraordinary General Meeting on 23.04.2019 and all the members have passed a Special Resolution approving the Voluntary Liquidation and have proposed to appoint Mr. N.A. Srinivasan (Reg. No. IBBI/IPA-002/IP-N00704/2018 – 2019/12328) as the Liquidator and the Liquidator has given his consent vide letter dated 23.04.2019. Thus, the Petitioner

Company has made compliance as to Section 59(3)(c) of IBC, 2016.

8. In compliance with Section 59(4) of IBC, 2016, the Liquidator has notified the Registrar of Companies (RoC) and the Insolvency and Bankruptcy Board of India (IBBI) about the decision of the Petitioner Company to proceed for voluntary liquidation and the copy of MGT – 14 & GNL – 2 filed before the RoC on 30.04.2019 and the intimation of the liquidation proceedings of the Petitioner Companies which was made to IBBI on 29.04.2019, are also annexed with the typed set filed along with the application.

9. The compliance as to Section 59(5) of IBC, 2016 does not arise, as all the assets and liabilities of the Company were transferred to another Company M/s. Dvara Kshetriya Gramin Financial Services Private Limited under a Business transfer Agreement and the Petitioner Company does not have any creditors.

10. The Liquidator as per Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations 2017 has made a public announcement in Form A on 26.04.2019 in both English Newspaper (Business Standard) and in vernacular, Tamil (Maalai Sudar) seeking submissions of claim by the stakeholders if any

within 30 days from the date of commencement of liquidation i.e. 23.04.2019 and the public announcement was also submitted to the IBBI. It has been stated that no claims were received by the Liquidator since the Company does not have any physical assets.

11. As per Regulation 34 of the IBBI (Voluntary Liquidation) Regulations 2017, the Liquidator opened a bank account on 22.05.2018 in the name of the "M/s. Varam Capital Private Limited in Voluntary Liquidation" and has requested for the closure of the Current Account of the Petitioner Company with the Canara Bank and consequently transfer the amount lying in the said account to the "M/s. Varam Capital Private Limited in Voluntary Liquidation".

12. The Liquidator has also placed on record the "No Due Certificate" issued by the Deputy Commissioner of Income Tax-Corporate Circle 3(2) dated 16.05.2019.

13. The Liquidator has sent letter to various authorities intimating them about the Voluntary Liquidation of the Petitioner Company but none of the said authorities have replied. The list of statutory Authorities who were intimated by the Liquidator is mentioned below;

a) The Regional Provident Fund Organization, Chennai

b) Assistant Commissioner (CT), Chennai

c) Assistant Commissioner (CT), Raipur

d) Revenue Officer, Corporation of Chennai

e) The Director, Regional Office, Employee State Insurance Corporation, Chennai

f) The Regional Director, Department of Non-Banking Financial Supervision, Reserve Bank of India

14. The independent Auditor's Report pertaining to the liquidation Account of the Petitioner Company is also annexed with the typed set filed along with the Petition, wherein the Independent Auditor has opined that the Statement of Receipts and Payments of liquidation gives a true and fair view in conformity with the Generally Accepted Accounting Principles (GAAP) in India.

15. It is stated that since there were no claims, the amount in liquidation account was distributed among the stakeholders as per Section 53 of IBC, 2016. Subsequent to the payment to the members of the Petitioner Company, the Liquidator has closed the Liquidation Account and the certificate issued by the Bank dated 26.08.2019 for Closure of Account is annexed with the typed set filed along with the petition.

16. Upon perusal of the Petition filed by the Liquidator, this Tribunal noticed that a sum of Rs.14.75 Crores was lying in the Fixed Deposit Account in favour of M/s. Varam Capital Private Limited and a query was posed to the Learned Counsel for the Liquidator as to how the said amount was disbursed, to which the Learned Counsel for the Petitioner clarified that the said sum has been duly disbursed to the two shareholders of the Company viz. Ms. Hemalatha Rajan and Mr. Manuel Thangaraj, in proportion to their holding of shares, by way of bank transfer and also referred to the bank statement enclosed along with the petition evidencing the disbursal of the amount. In the said Bank statement only the name of one shareholder Ms. Hemalatha Rajan is reflected, confirming that she has received the amount, however, the name of the other shareholder is not reflected and in the circumstances, the Learned Counsel for the Petitioner placed on record the copy of the email sent by the other shareholder viz. Manuel Thangaraj, which was forwarded to the email of the Registry of this Tribunal on 01.07.2020, wherein it has been confirmed by Mr. Manuel Thangaraj that he has received the amount in the capacity as a holder of 1% shares in M/s. Varam Capital Private Limited.

17. As per Regulation 38 of the IBBI (Voluntary Liquidation) Regulations 2017, the Liquidator has prepared his Final Report

and has submitted the Final Report to the RoC and IBBI on 11.09.2019.

18. Thus, on examining the submissions made by the Learned Counsel for the Petitioner and after perusing the documents annexed to the Petition it appears that the affairs of the Company have been completely wound up and the assets of the Petitioner Company have been completely liquidated and as such the Petitioner 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/s. Varam Capital Private Limited* and the Petitioner Company shall stand dissolved from the date of this order. Accordingly, the Company Petition stands **allowed**.

19. 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.

-SD-
(ANIL KUMAR B)
MEMBER (TECHNICAL)

-SD-
(R.VARADHARAJAN)
MEMBER (JUDICIAL)

Raymond