IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI
CP (IBC) / 6(CHE) /2024

(Filed under Section 59 of the Insolvency and Bankruptcy Code, 2016 r/w IBBI (Voluntary Liquidation Process) Regulations, 2017)

In the matter of **M/S. SPI FINANCE AND INVESTMENTS PRIVATE LIMITED (UNDER LIQUIDATION)**

Ms. Chitra Perinkulam Ragavan,
Liquidator of M/s. SPI Finance and Investments Private Limited,
Having its registered office at No.3, First Floor,
Subba Rao Avenue, Chennai, Tamil Nadu, India – 600 006 ***… Petitioner***

CORAM

SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Petitioner: Mr. Avinash Krishnan Ravi, Advocate

Order Pronounced on ***11th December 2024***

O R D E R
(Hearing Conducted through Hybrid Mode)

1. This is a Company Petition filed by the Liquidator, conducting the Voluntary Liquidation of ***M/s. SPI Finance and Investments Private Limited****, an unlisted Private Company limited by shares* with CIN: U65990TN2020PTC134234 having registered office at No 3, First Floor, 2nd Street, Subba Rao Avenue, College Road, Chennai, Tamil Nadu, India - 600006, within the jurisdiction of RoC, Chennai, under Section 59 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking dissolution of the Company.

2. The Petitioner Company was originally incorporated on 04.02.2020 as under the provisions of the Companies Act, 2013. The main object of the Company is to carry on the business of financing leasing, hire purchase, lending, advancing money through various channels including digital channels or give credit on any terms or mode with or without security to any individual, firm, Limited Liability Partnership, body corporate or any other entity. The elaborate details of the main objects are set out in the Memorandum of Association which is filed along with the typed set.

3. The Authorized share capital of the Company is Rs.2,10,00,000/- (Rupees two crore and ten lakhs) divided into 21,00,000 shares of Rs.10/- each and the Issued Paid Up capital is Rs.2,10,00,000/- (Rupees two crore and ten lakhs) divided into 21,00,000 equity shares of Rs.10/- each.

4. We have heard the submissions made by the Learned Counsel for the Petitioner and perused the records.

5. It is stated that the company was formed with an objective to carry on the business of general finance. However the company could not commence its business as the application made by the company for NBFC registration to RBI under Section 41-IA of RBI Act, 1934 was rejected. As the management of the company did not have any further plan to carry on any business it was decided during the January 2021 to wind up the affairs of the company.

6. It is submitted that a Board meeting dated 12.01.2021 was held to consider winding up of the affairs of the company through voluntary

liquidation process as per the Section 59 of the Insolvency and Bankruptcy Code, 2016 and seek approval of shareholders to that effect. The above proposals were also passed as a resolution.

7. The Extraordinary General Meeting of the Shareholders of the Company took place on 05.02.2021 wherein it was resolved to conduct the voluntary liquidation and appoint Mrs. Chitra Perinkulam Ragavan, as a liquidator for the same under Section 59 of IBC, 2016.

8. The subject Corporate Company is a closely held private entity and there are only 2 shareholders. The shareholding structure as on 31.12.2020 is as follows,

S. No	Details of the Shareholder	No. of Total Shares held
1	Kiren Reddy M	20,99,999 (~ 100%)
2	Balakrishnan P R	1

9. It is submitted that the total liabilities and assets of the company undergoing voluntary liquidation as on 05.02.2021 and same is extracted as follows,

2 The Liabilities of the company as on the Liquidation Commencement Date (that is 05.02.2021) are estimated to be Rs 2,10,38,016/- as follows:

	Liability	Amount (Rs.)
a	Share Capital- Kiran Reddy	2,09,99,990.00
b	Share Capital – P R Balakrishnan	10.00
c	Audit fee- K S Jaganathan	35,400.00
d	TDS Payable	2,616.00

1. The assets of the company as on the Liquidation Commencement Date (that is 05.02.2021) are estimated to be of the realizable value of Rs.2,11,98,599.30 /- and they comprise the following:-

	Asset	Amount (Rs.)
a	Cash on hand- Petty cash	2,950.00
b	Indian Bank a/c	2,19,357.30
c	Fixed deposit	1,03,03,650.00
d	Fixed deposit	1.02,01,634.00
e	Interest on fixed deposit	4,38,146.00
f	TDS receivable	32,862.00

10. It is submitted that, 3 Claims have been received during the Voluntary Liquidation Process. 2 Claims from the Shareholders. 1 Claim from the Statutory Auditor of the company for the service rendered.

11. The Petitioner stated that he has performed the tasks and Compliances as mandated under Sec 59 of the IBC.

12. This Tribunal vide order dated 12.09.2024 raised the following queries as extracted,

1. **Last financials of the company shows certain liabilities**. No information available whether those dues are settled or not. Distribution chart also did not show any payments.(Reference to Page 53)
2. **Bank Account Closure Report of Indian Bank account maintained at Peters Road with Acc. No. 687109957 is also not available.**
3. **The audited Receipts and payments for the liquidation process is not furnished.**

List the petition for compliance on **08.10.2024.**

13. On 07.10.2024 the applicant vide memo filed the necessary annexures and clarified the queries as follows,

- The liabilities reflected in the last audited balance sheet pertain to FY ending on 31.12.2020 and liabilities discussed in the Preliminary report explains the position as on liquidation commencement date.

14. The details of the relevant compliances performed during the present liquidation process 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
1.	Sec. 59 (3) (b) (i)	Copy of the Audited Financial statements for the years ending March 31st of 2020, and December 31st 2020	46 - 55 of the Petition
2.	Sec 59 (3) (c) and Reg 3(1)(c)	EoGM dated 05.02.2021 approving the initiation of the voluntary liquidation and appointment of the Liquidator	63 - 65 of the Petition
3.	Section 59 (4) and Reg 3 (2)	Declaration of solvency verified by the Affidavit by majority directors	1 - 6 of the memo dated 26.01.2024
4.	Section 59 (4) and Reg 3	Intimating Board Resolution and Special Resolution for voluntary liquidation passed by shareholders in EoGM to RoC and IBBI	66 - 67 of the Petition
5.	Regulation 14	Form-A Public Announcement in Trinity Mirror (English) and Malai Malar (Tamil) dated 06.02.2021.	75 - 76 of the Petition
6.	Section 178 of IT Act, 1961	Intimation of Voluntary Liquidation process to the Income Tax Department dated 06.07.2022	68 of the Petition
7.	Reg 9	Preliminary report dated 10.03.2021	91 - 93 of the Petition
8.	Reg34	Closure of Bank Account bearing No. 687109957 of Indian Bank located at Peters Road branch, Chennai dated 14.03.2021	Page 5 of the Memo
9.	Reg34	Opening and Closure of Liquidation Bank Account bearing No. 1250135000008413 of Karur Vysya Bank located at Teynampet Branch, Chennai	119 – 121 of the petition
10.	Reg 38	Final report dated 03.11.2023	109 - 112 of the Petition

11.	Reg 38	Form-H – Compliance certificate dated 03.01.2024	127 - 135 of the Petition
12.	Reg 38	Intimation to RoC and IBBI	113 – 118 of the Petition

15. The cash balances available with the company bank account and Income Tax returns realized formed the Liquidation estate and the same has been appropriately distributed to all the stakeholders as per the code.

16. The realization and distribution as per the provisions of Section 53(1) of IBC, 2016 is detailed below:

3. Details of realisation during Voluntary Liquidation Process:

Sl. No.	Particulars	Amount (Rs)
(1)	(2)	(3)
1	Sale of Assets	0
2	Refund from Statutory Authorities	50890
3	Cash / Bank balance	20944171
4	Realisation of uncalled/unpaid capital contribution	0
5	Distribution of unsold asset	0
6	Any other (Please specify)	0
	Total	20995061

4. Details of distribution to stakeholders as per section 52 or 53 of the Code

(Amount in Rs. lakh)

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 [Sec. 52(1)(b)]	0	0	0	0	0
2	Liquidation Cost [Sec. 53(1)(a)]	187940.10	187940.10	187940.10	100%	Full
3	Workmen's Dues [Sec. 53(1)(b)(i)]	0	0	0	0	0
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	0	0	0	0	0

5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	0	0	0	0	0
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	0	0	0	0	0
7	Government Dues + Amount Unpaid following Enforcement ofSecurity Interest [Sec.53(1)(e)]	0	0	0	0	0
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	35400	35400	35400	100	Full
9	Preference Shareholder s [Sec. 53(1)(g)]	0	0	0	0	0
10	Equity Shareholder s [Sec.53(1)(h)]	2100000 0	21000000	20771720. 90	98.91	Partial
	Total	**2122334 0.1**	**21223340. 1**	**20995061**		

17. The details of payment to the Stakeholders is found at ***Page 121 of the petition.*** It is observed that the distribution to the stakeholders happened during June 2021, whereas the Final report along with Form H was submitted in 30.11.2023. The delay in completing the Voluntary Liquidation Process was due to delayed refund of TDS related to Income Tax return.

18. The Independent Auditor, Subramaniam Aneetha vide a report dated 29.10.2023 audited the Receipts and Payments for the entire period of Voluntary liquidation and the same has been extracted hereunder,

SPI FINANCE A
Statement of Rec

In Rs

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Receipts	Cash	Bank	Total
To Opening Balance		10,000.00	10,000.00
To Bank		1,934,171.00	1,944,171.00
To Bank		10,000,000.00	11,944,171.00
To Bank		9,000,000.00	20,944,171.00
To Refund from IT dept		50,890.00	20,995,061.00
			-
			-
			-
			-
Total	-	20,995,061.00	20,995,061.00

Prepared from the information and records produced before me.

AND INVESTMENT PRIVATE LIMITED
ceipts and Payments as on 29/10/2023

In Rs

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Payments	Cash	Bank	Total
By Cash			-
By Liquidator's Fees		90,000.00	90,000.00
By Statutory Audit Fees		35,400.00	125,400.00
By Shareholder - Kiran Reddy Magunta		20711711.14	20,837,111.14
By Bank Charges		0.59	20,837,111.73
By Shareholder - P.R Balakrishnan		9.86	20,837,121.59
By TDS on Liquidators Fees		10,000.00	20,847,121.59
By Bank Charges		0.59	20,847,122.18
By Audit Fees		25,000.00	20,872,122.18
By Liquidator's expenses		12,000.00	20,884,122.18
By Shareholder - Kiran Reddy Magunta		59,999.86	20,944,122.04
By Shareholder - P.R Balakrishnan		0.04	20,944,122.08
By Advocate Fees		50,000.00	20,994,122.08
By Bank Charges		590.00	20,994,712.08
By Bank Charges		348.92	20,995,061.00
Total	-	20,995,061.00	20,995,061.00

19. It is further stated that there were no PUFE applications pending in relation to the liquidation company and Form H compliance certificate shows the same as below,

7. The details of application(s) filed / pending in respect of avoidance of transactions.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
(1)	(2)	(3)	(4)	(5)
1	Preferential transactions under section 43	NA	NA	NA
2	Undervalued transactions under section 45	NA	NA	NA
3	Extortionate credit transactions under section 50	NA	NA	NA
4	Fraudulent transactions under section 66	NA	NA	NA

20. 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.

21. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we hereby order the dissolution of **M/s. SPI Finance and Investments Private Limited** and the Subject Company shall stand dissolved from the date of this order.

22. Therefore, the Company Petition ***CP(IB)/ 6(CHE)/ 2024*** stands ***Allowed and Disposed off***.

23. 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/-	**-Sd/-**
RAVICHANDRAN RAMASAMY	**JYOTI KUMAR TRIPATHI**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**