



**IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI**  
**COURT-V**

**Item No.-2**  
IB-684/ND/2022

**IN THE MATTER OF:**

AFA Exports Pvt. Ltd.

**....Applicant**

**SECTION**

U/s 59 IBC

**Order delivered on 12.09.2023**

**CORAM:**

**SHRI MAHENDRA KHANDELWAL,  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RAHUL BHATNAGAR,  
HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Applicant :

For the Respondent :

**ORDER**

Order pronounced in open Court vide separate sheets. IB-684/ND/2022 is **allowed**.

Sd/-  
**(RAHUL BHATNAGAR)**  
**MEMBER (T)**

Sd/-  
**(MAHENDRA KHANDELWAL)**  
**MEMBER (J)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
NEW DELHI BENCH  
COURT – V**

**C.P.(IB)/684/ND/2022**

*[Under Section 59(7) of the Insolvency & Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017]*

**In the matter of:**

**AFA EXPORTS PRIVATE LIMITED**

**CIN: U51909DL2004PTC130316**

**Through Liquidator Mr. Brij Nandan Kalra**

**...Applicant**

**Order Delivered on: 12.09.2023**

**CORAM:**

**SHRI MAHENDRA KHANDELWAL, HON'BLE MEMBER (JUDICIAL)**

**SHRI RAHUL BHATNAGAR, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

**For the Applicant :**

**For the Respondent:**

**For the IT Dept. :** Mr. Kunal Sharma (Sr. Standing Counsel), Ms. Zehra Khan (Jr. Standing Counsel), Mr. Sushrut Meena, Advocates

**ORDER**

**PER: SHRI MAHENDRA KHANDELWAL, HON'BLE MEMBER (JUDICIAL)**

1. The instant application has been filed by the Voluntary Liquidator Mr. Brij Nandan Kalra on behalf of M/s AFA Exports Private Limited (Applicant) under Section 59 of the Insolvency & Bankruptcy Code, 2016 ("Code") read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process)



Regulations, 2017 (“Voluntary Liquidation Regulations”) seeking the following prayer(s): -

- a) *That the applicant, AFA Exports Private Limited (in voluntary liquidation) may kindly be ordered to be dissolved;*
- b) *That to pass such order or further order(s), this Hon'ble Tribunal may deem fit, proper and just under the circumstances of the case.*

2. The brief facts, giving rise to filing of the instant Application, which are just and necessary for adjudication, are narrated hereunder: -

- i. That, M/s. AFA EXPORTS PRIVATE LIMITED (the Private Company), the Applicant Company was incorporated on 2<sup>nd</sup> November, 2004 under the provisions of the Companies Act, 1956 with object “To carry on in India or elsewhere the business to act as agent, broker, distributor, demonstrator, artist , importer , exporter, buyer, seller, stockiest, consultants, collaborator or otherwise to deal in all types varieties fashion shapes & sizes of handicrafts made of metal all other related materials or with any combination thereof such as handicrafts with copper or brass. Bells and other handicrafts made of wrought iron and coated with copper; Handicrafts of aluminium copper, brass, bidri, bronze bell metal. German silver, silver or any alloy thereof; real and imitation zarizari woven embroidered products and zari embroidered pieces and beads embroidered products handicrafts of marble or alabaster inlaid with semi-precious stones; leather goods and articles such as Hand bags, pouches, bangle boxes, belts, travel goods, carpets, rugs and druggist made of wool, silk, wood articles, goods and article of stones, plaster of paris, agglomerated stones or of any other material such as statues monuments, photo frames, models of historical places, model temples etc., handmade paintings drawing and pastels, original engravings, prints and lithographs, collections of zoological, botanical, mineralogical and anatomical , historical ,archaeological, paleontological ethnographical or numismatic interest, antiques of an age not less one hundred years and to do all incidental acts and things necessary for the attainment of above objects.



- ii. That, the Authorised Share Capital of the Company is Rs. 1,00,000/- (Rupees One Lakhs only) divided into 10,000 (Ten Thousand) equity shares of Rs. 10/- (Rupees Ten only) each. The issued, subscribed and paid-up share capital of the Company is Rs. 1,00,000/- (Rupees One Lakhs only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- (Rupees Ten only).
- iii. That, the Company is not successfully carrying business which would align with main objective of the Company and not earning any profits except the income from rents. The Board of Directors of the Company in their Meeting held on 10<sup>th</sup> June 2021, considered the matter and was of the opinion that due to non-availability of business prospect and long term financial resources it was not financially viable to carry on the business activities of the Company and proposed to close down the company by way of voluntary liquidation and passed a proposal to liquidate the Company voluntarily.
- iv. That, the majority of Directors, Mr. Joga Singh, Narinder Singh Mahil and Mr. Dinesh Chandra Gaur, under the provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016, made a declaration of solvency on 13<sup>th</sup> June 2021.
- v. That, on the proposal of Board, the members of the Company in their Extraordinary General Meeting held on 13<sup>th</sup> June. 2021 passed a special resolution under Section 59 of the Code read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (Regulations) to liquidate the Company voluntarily and appointed Mr. BRIJ NANDAN KALRA, an Insolvency Professional, having IP registration No. IBBI/IPA-003/IP-N00014/2017-18/10103 to act as liquidator of the Company.
- vi. That, liquidator made a public Announcement of commencement of liquidation in Form A, IN FINANCIAL EXPRESS (Delhi) English Newspaper and JANSATTA (Delhi) Newspaper on 24 June, 2021, seeking submission of the claim by the stakeholders, if any, within 30 days for the date of commencement of liquidation i.e. 13<sup>th</sup> June, 2021. The public Announcement was simultaneously submitted to the Insolvency and



Bankruptcy Board of India (IBBI) to place the same on its website. The same was published on IBBI website on 25th June, 2021.

- vii. That, the liquidator opened a Bank account in the name of AFA EXPORTS PRIVATE LIMITED in voluntary liquidation” with Bandhan Bank for realization and payment to the creditors and Members. That, the liquidator received the claims from the creditors on the 24th July, 2021.
- viii. That, the Liquidator submitted its preliminary report to the Company on 09<sup>th</sup> August, and it is placed on record. That, on the verification of books and claim received from the creditors and stakeholders of the Company, the liquidators made e-payments to the creditors in following manner:

Sl. No.	Name of the Creditors	Amount
1	Virtual Employee Private Limited	90,14,245/-
2	Narinder Singh Mahil	5,82,650/-
3	Tiwary Om Prakash and Associates	1,25,451/-
4	Anil Kumar Tiwary	1,500/-
5	Abhishek Srivastava & Co	7200/-

- ix. The Liquidator has submitted an affidavit dated 03.11.2022 stating that all the creditors have been paid in full.
- x. That, the liquidator intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority on 24th July 2021. The Company has assessment order till Assessment year 2020-21. No any notice of demand issued or outstanding is pending with Income Tax Authority or available on online portal till date.
- xi. That, the valuation was carried out from the valuer registered with IBBI. That, the assets of the company i.e. a Building is sold on the basis of highest bidder, for sale of the Building a press release was issued. That, the accumulated profit of Rs. 92,59,227/- as dividend were paid to the members on 29/03/2021. Assets available for distribution after payment of Liquidation expenses, Creditor and statutory dues balance assets of Rs



5,65,51,592/- paid to shareholder /member. With the aforesaid payments to the Members the asset of the Company was fully liquidated.

xii. That, the liquidator has submitted to stake holders. a copy of final report, along with the Auditors Certificates on the liquidation, showing receipts and payments pertaining to liquidation. That, the liquidation account has been closed to this effect Banker letter is placed on record. That, the affidavit in support of application is placed on record.

3. Notice was issued to the Registrar of Companies (ROC), NCT of Delhi & Haryana (“Respondent”) vide this Adjudicating Authority’s order dated 21.11.2022. In compliance with the above order, ROC had filed its status report dated 27.06.2023, wherein ROC had made certain observations. However, the response submitted by the Liquidator clarifies the observations made by the ROC and ROC has no objection in the matter, as recorded in order dated 03.08.2023.
4. Notice was issued to the Income Tax Department vide this Adjudicating Authority’s order dated 21.11.2022. Income Tax Department submitted that they have no objection in this Section 59 petition, as recorded in the order dated 13.07.2023.
5. We have heard the submissions made by the Ld. Counsel and perused the documents annexed to the petition. From a perusal of the instant Application and documents annexed therewith, it is seen that the Liquidator, after his appointment has duly performed his duties and completed necessary formalities to complete the liquidation process of the Applicant Company, which has been averred in the present application and, thus, the Liquidator has prayed for an order from this Adjudicating Authority to dissolve the applicant company.
6. Further, no adverse comments have been received from any statutory authority or from public at large against such dissolution of the Applicant Company, despite there being a public announcement by the liquidator and also updating of the same in the website of the Insolvency and Bankruptcy Board of India (IBBI). It is also evident from the record that the proposed liquidation was duly communicated to the Registrar of Companies, NCT of Delhi & Haryana as per



Form MGT-14 and Form GNL-2 filed with the Registrar of Companies, NCT of Delhi and Haryana. It appears that the affairs of the Applicant Company have been completely wound up and its assets have been completely liquidated and no liabilities have been left unsatisfied. We have also duly considered the merits thereof, in the light of the statutory provisions of Section 59 of the Code, 2016 read with the relevant regulations.

7. The Liquidator had filed copies of paper publication as well as copy of public announcement in Form-A. The Liquidator in compliance of Regulation 38(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 had placed on record the Compliance Certificate in Form-H annexed at page no. 11-21 of the present application.
8. The Liquidator is found to have complied with the statutory provisions to complete the liquidation process by taking necessary steps as it is evident that he had duly opened an account in the name of Corporate Person with Bank for realization and payment to the members.
9. Further as per record of the present case, it is seen that the Applicant Company is not found being involved in such kind of business activities, which are detrimental to the interest of the public at large. Furthermore, it is not the case that the proposed dissolution may adversely affect its shareholders/members or is contrary to the provisions of law.
10. By taking into consideration the above stated facts and circumstances, the instant Application **C.P.(IB)684/ND/2022** stands allowed. Consequently, this Adjudicating Authority in exercise of power conferred to it under Section 59 (8) of the Insolvency and Bankruptcy Code, 2016, orders that the Applicant Company i.e., M/s. AFA Exports Private Limited having CIN: U51909DL2004PTC130316 shall stand dissolved with effect from the date of pronouncement of this order.
11. The Liquidator is directed to communicate a copy of this order to the respondent i.e., Registrar of Companies, NCT of Delhi & Haryana, wherein the registered office of the Applicant Company is situated. Further, a copy of this order should also be communicated to the IBBI, New Delhi, for information. Such communication should be made within the stipulated period of fourteen (14) days from the date of receipt of certified copy of this order.



12. The Registry is directed to send e-mail copies of the order forthwith to the Applicant Company represented by its Liquidator and its Ld. Counsel for taking further necessary steps.

File be consigned to the records.

**Sd/-**  
**RAHUL BHATNAGAR**  
**MEMBER (T)**

**Sd/-**  
**MAHENDRA KHANDELWAL**  
**MEMBER (J)**