

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.301
C.P.(IB)/193(AHM)2023

Order under Section 59 IBC

IN THE MATTER OF:

Manish S Buchasia Liquidator of Shree Fasteners Pvt Ltd Applicant

Order delivered on: 19/12/2023

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for pronouncement of order. The order is pronounced in open Court, vide separate sheet.

-Sd-

**SAMEER KAKAR
MEMBER (TECHNICAL)**

-Sd-

**SHAMMI KHAN
MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY
THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – I,
AHMEDABAD**

CP(IB)/193/59/(AHM)/2023

[Application under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with the Regulation 38(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 for dissolution of the Corporate Person]

In the matter of **M/s. Shree Fasteners Private Limited**

M/s. Shree Fasteners Private Limited

(Under Voluntary Liquidation)

Having its registered office at:

A/2/195 AJ Indl Estate, GIDC Phase-II,
Rajkot, Gujarat – 360001, India.

Through its Liquidator, **Mr. Manish S. Buchasia**

... Liquidator / Applicant

Order Pronounced on 19.12.2023

CORAM:

SHAMMI KHAN, MEMBER (JUDICIAL)

SAMEER KAKAR, MEMBER (TECHNICAL)

Appearance:

For Applicant: Mr. Manish S. Buchasia, Liquidator
(In person)

ORDER

1. This is a Company Petition filed by M/s. Shree Fasteners Private Limited bearing CIN: U29225GJ1985PTC007941 through its Liquidator **Mr. Manish S. Buchasia,**

Company Secretary and Insolvency Professional, holding registration No: IBBI/IPA-002/IP-N00487/17-18/11449 in relation to the voluntary liquidation of, 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 has prayed from this Tribunal following reliefs:

- (i) The Hon’ble Tribunal to dissolve the corporate person upon the application made under Section 59(7) of the IBC, 2016.*
- (ii) To pass an order to dissolve the corporate person from the date of order passed by the Hon’ble NCLT, Ahmedabad Bench.*
- (iii) The Hon’ble Tribunal to pass an order to serve the copy of an order to the Registrar of Companies, Ahmedabad.*
- (iv) Any other directions which the Hon’ble (Tribunal) may deem fit in the facts and circumstances of the matter.*

3. The Applicant Company was originally incorporated on 05.07.1985 vide CIN: U29225GJ1985PTC007941 in the name and style of “Shree Fasteners Private Limited” under the provisions of the Companies Act, 1956 on issuance of certificate of incorporation by the Assistant Registrar of Companies, Gujarat.

4. It is submitted that M/s. Shree Fasteners Private Limited was incorporated with a purpose of doing business of manufacturing, importing, exporting and dealing in all kinds of engineering goods including Fasteners, bolts and

nuts etc. as mentioned in the Memorandum of Association annexed at page no.29 of the application.

5. It is submitted that Applicant/Liquidator had been appointed by the shareholders of the Corporate Person in its Extraordinary General Meeting (EGM) held on 12.11.2021 at the registered office of the corporate person at: A/2/195, A. J. Industrial Estate, GIDC, Phase II, Rajkot, Gujarat - 360001, India on the recommendation of the Board of directors at their board meeting held 03.11.2021, as Liquidator for voluntary liquidation proceeding of M/s. Shree Fasteners Private Limited. A Copy of the Master Data, of Incorporation, Memorandum of Association and Article of Association of the corporate person is annexed herewith as Annexure-“A” to the present application.
6. It is submitted that the registered office of the corporate person is situated in the State of Gujarat. Therefore, the corporate person declares that the subject matter of the application is appropriately within the jurisdiction of the National Company law Tribunal, Ahmedabad Bench at Ahmedabad.
7. The applicant further submits that the application is within the period of limitation prescribed for the present application under the Insolvency and Bankruptcy Code, 2016.
8. It is submitted that the Board of Directors of the

company having considered the matter and were of such opinion to close down the company by way of voluntary liquidation, because of non-availability of business prospects and long-term financial resources for the company. It was not financially viable to carry on the business activity of the company.

9. As submitted accordingly, the Board of Directors have proposed for voluntary Liquidation of applicant Company in their meeting of the Board of Directors on 03.11.2021, wherein, the Board of Directors approved the draft declaration as stipulated under section 59 (3) of the IBC, 2016 and signed and verified the same by way of an affidavit and also convened an Extra Ordinary General Meeting on 12.11.2021 to consider and decide about the voluntarily liquidation of the Applicant Company and to appoint a Liquidator for this purpose.
10. It is submitted that the Applicant Company duly filed the declaration signed by the Board of Directors of the Applicant Company along with audited financial statement for last two years with the Registrar of Companies, Ahmedabad in Compliance of Section 59 (3) of the IBC, 2016 in form GNL-2 wide SRN: T58531724 on 03/11/2021. The copy of Declaration of Solvency, latest audited financial statement of two years and copy of form GNL-2 are annexed and as Annexure – “B” to the present application.
11. It is submitted that the applicant company was not

holding any of such asset which was required to be valued. Hence, there was no need for valuer to appoint and there is no valuation report. It is further stated that only cash and bank balances were there as on the date of declaration of solvency.

12. It is stated that as per the provision of Section 59(3)(c) of IBC, 2016 and as approved by the Board of Directors in its meeting dated 03.11.2021, the Applicant Company convened an Extra Ordinary General Meeting on 12.11.2021, to pass a special resolution to voluntarily liquidate the Company and to appoint Mr. Manish S. Buchasia, Insolvency Professional (having registration No. IBBI/IPA-002/IP-N00487/17-18/11449) as the Liquidator.
13. It is submitted that it was unanimously decided by the members present in the said meeting that Applicant Company shall be Voluntarily Wound Up and further appointed Mr. Manish S. Buchasia, as the Interim Professional to act as the Liquidator.
14. It is stated that as per the provision of section 59(4) of IBC, 2016, the Company requires to notify the Registrar Companies of the voluntarily liquidation of the Company within seven days of passing the resolution, the applicant company duly notified the Registrar of the Companies about the voluntary liquidation and appointment of Liquidator in Form MGT14 and the same was approved and was taken on record by the Registrar of Companies,

Gujarat, Ahmedabad. A copy of Form MGT-14 (vide SRN: T61213559), IP's consent, resolution of Extra Ordinary General Meeting (EGM) is annexed here and collectively marked as Annexure- "C" to the present application.

15. It is submitted that on 09.10.2021, there were no creditors in the company, either secured or unsecured. In compliance of Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the liquidator made a public announcement in Form A of Schedule I in "Times of India" (English) and in "Akila" (Gujarati) on 17.11.2021, i.e. within the period of 5 days of his to call upon appointment on stakeholders to submit their claims within 30 days from the date of commencement of liquidation i.e. 12.11.2021 and the copy of public announcement was simultaneously sent to Insolvency and Bankruptcy to place it on its Board of India with request to place it on its website and same was published on website of IBBI. Copy of public announcement in newspaper along with such public announcement uploaded on IBBI Portal are annexed herewith as Annexure- "D" to the instant application. A screenshot of website depicting the publication is annexed as Annexure- "E".

16. It is stated that the appointed Liquidator communicated to the ITO (Income tax officer) and informed them about the voluntary liquidation of the company and that he has been appointed as the Liquidator of M/s. Shree Fasteners

Private Limited and in his capacity as the Liquidator, he had made compliance with the Regulation 14 of the Insolvency and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. It is further stated that till date, there was no response or any reply received from Department. A copy of email and proof of service department are annexed here and collectively marked as Annexure- "G" to the present application.

17. It is stated that in compliance with Regulation 34 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the Liquidator opened a bank account in the name of 'Liq. Account of Shree Fasteners Private Limited' with HDFC BANK bearing no. 50200065141382 situated at Kalawad Road Branch, Rajkot (Gujarat) on 21.01.2022 for realization of all money and for onward payments to the members as per the requirements of the regulations.
18. The applicant annexed a copy of IBBI circular no. IBBI/LIQ/45/2021 stating no requirement of seeking NOC or No dues from Income Tax Department during Voluntary Liquidation marked as Annexure- "H".
19. It is stated that the applicant company did not receive any claims as there were no other stakeholders other than Equity shareholders. A List of Shareholders along with shareholding are annexed and marked as Annexure- "I".

20. It is stated that in compliance to the provisions of Regulation 37 (2) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017: In the event of the liquidation process continuing for more than twelve months the liquidator shall- (a) hold a meeting of the contributories of the corporate person within fifteen days from the end of the twelve months from the liquidation commencement date, and at the end every succeeding twelve months till dissolution of and (b) shall present Annual Status Report(s) indicating progress in liquidation. The liquidator held the EGM of the shareholders on 11.11.2022 for extension of liquidation period and present Annual status report in it. The copy of form GNL-2 (vide SRN: F52430600) resolution of Extraordinary General Meeting (EGM) along with Annual Status report are annexed as Annexure- “J” to the present application.
21. It is submitted that in compliance of the provisions of Regulation 35 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and section 53 the Insolvency and Bankruptcy Code, 2016 the Appointed Liquidator distributed the proceeds from the realization of assets involved in the process of Voluntary Liquidation to the stakeholders which were transferred from the above-mentioned liquidation account.

Receipt	Estimated Value (Rs.)	Actual Amount Realised (Rs.)	Difference Amount
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			(Rs.)
Balance with Banks	1,77,28,845/-	1,77,28,845/-	0
Other Current Assets (Advance Tax)	1,53,000/-	1,53,000/-	0
Income Tax Refund	0	1,30,220/-	1,30,220/-
Cash	95,410/-	95,410/-	0
Total	1,79,77,255/-	1,81,07,475/-	1,30,220/-

22. It is further submitted that, subsequent to making payment to the members of the company, the liquidator has closed the Bank account. A bank statement showing distribution to shareholders are annexed here and collectively marked as Annexure- "K".
23. In compliance with the provision of Regulation 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, the Appointed Liquidator prepared a final report and copy of the final report was submitted to the Registrar of the Company in Form GNL-2 on 03.07.2023 vide SRN: AA3097303 and send to the Insolvency and Bankruptcy Board of India through email on 07.07.2023. Copies of the Final report along with form GNL-2 and e-mail sent to IBBI are Annexed as Annexure- "L".
24. The Applicant further declares that instant petition made is not pending before any other Tribunal of law or any other authority.
25. It is submitted that the Liquidator has completed whole

liquidation process according to the Insolvency and Bankruptcy (Voluntary Liquidation Process) Regulations, 2017.

26. The applicant has submitted synopsis and realization of the proceeds after liquidation in this Bench on 07.12.2023 vide Diary No. D4952 as per follows: -

SYNOPSIS

S No. (1)	Compliance (2)	Reference (4)
1.	(Sec. 59(3)(a) read with Regulation 3(4)) <i>Declaration by way of an Affidavit from majority of the Directors to be filed.</i>	Page 54 to 88
2.	(Sec. 59(3)(b)(i)) <i>Audited Financial Statements and record of business operations for the previous two years to be filed.</i>	Page 89 to 112 Financial statement 2020 and 2021
3.	(Sec. 59(3)(b)(ii)) <i>Valuation Report to be filed.</i>	Only Cash & Bank Balance
4.	(Sec. 59(3)(c)(i)) <i>Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a).</i>	Page 114 to 124
5.	(Proviso to Sec. 59(3)(c)) <i>Approval of Resolution passed under Section 59(3)(c) by creditors (2/3rd in value) if any, within 7 days from the date of Resolution.</i>	No creditors
6.	(Sec. 59(4)) <i>Intimation to RoC & IBBI within 7 days from the date of the Resolution under 59(3)(c) or after approval of the creditors</i>	MGT 14 SRN: T61213559 Page no. 120 to 124
7.	(Regulation 14) <i>Proof of Public Announcement made in 'Form - A' within 5 days from the date of appointment</i>	Page 125 to 127
8.	(Regulation 30) <i>List of Stakeholders in case of claims under Chapter V of the Regulations</i>	List of shareholder as on 31.03.2022 Page no. 138-139
9.	(Regulation 9) <i>'Preliminary Report' along with proof of submission of the same to the Company within 45 days from the LCD</i>	Page no. 129 to 133

10.	(Regulation 34) <i>Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank</i>	Page no. 157
11.	<i>Proof of Closure of the above Bank Account and any other account in the name of the Company</i>	Page no. 157
12.	(Regulation 35) <i>Proof of distribution within six months from the receipt of realization</i>	Page no. 157
13.	(Regulation 38) <i>'Final Report' along with proof of submission of the same to RoC & IBBI</i>	Page no. 172 to 176
14.	(Regulation 37) <i>Completion of liquidation process within twelve months from LCD</i>	As per Regulation 37 Extension from the stakeholders of company
15.	(Regulation 37) <i>Annual Status Report prepared (if any)</i>	Page no. 140 to 156

16. REALISATION:

Sl. No.	Particulars	Amount (Rs)
(1)	(2)	(3)
1	Sale of Assets	0
2	Refund from Statutory Authorities	1,30,220
3	Cash / Bank balance	1,79,77,255
4	Realization of uncalled/unpaid	0
5	Distribution of unsold asset	0
6	Any other (Please specify)	0
	TOTAL	18107475

27. The details of distribution as submitted by the applicant is as under:

17. DISTRIBUTION

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	0	0	0	0	-
2	Liquidation Cost [Sec. 53(1)(a)]	2057475	2057475	2057475	100%	-
3	Workmen's Dues [Sec. 53(1)(b)(i)]	0	0	0	0	-
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	0	0	0	0	-
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	0	0	0	0	-
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	0	0	0	0	-
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]	0	0	0	0	-
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	0	0	0	0	-
9	Preference Shareholders [Sec. 53(1)(g)]	0	0	0	0	-
10	Equity Shareholders [Sec.53(1)(h)]	0	0	16050000	0	-
Total		2057475	2057475	18107475	100%	-

28. Thus, on examining the submissions made by the Applicant 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 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. Hence, we pass the following order: -

- i). This Adjudicating Authority in exercise of powers conferred to it under Section 59(8) of the IBC, 2016

orders that the Corporate Person (Applicant Company) **M/s. Shree Fasteners Private Limited** having **CIN: U29225GJ1985PTC007941** shall stand dissolved from the date of this order.

- ii). Consequently, the liquidator **Mr. Manish S. Buchasia** is discharged from his duties and responsibilities as the liquidator.
- iii). The Registry of this Bench and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, Gujarat, Income Tax Department and also to IBBI, within 14 days from the date of this Order for information and necessary action.
- iv). The Liquidator shall preserve a physical or an electronic copy of the reports, registers and books of account referred to in Regulations 8 and 10 of IBBI Regulations for at least eight years after the dissolution of the Corporate Person, either with himself or with an information utility.

27. Accordingly, the present application i.e., **CP(IB)/193/59/(AHM)/2023** stands allowed and disposed of.

-Sd-

SAMEER KAKAR
MEMBER (TECHNICAL)

AT

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)