



**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

CP (IB) NO.53/ALD/2023

(An application under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 38 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)

IN THE MATTER OF:

Saveena Enterprises Private Limited

(In Voluntary Liquidation)

Through Mr. Sushil Kumar Gupta, Liquidator

(IBBI Reg. No. IBBI/IPA-002/IP-N-00822/2019-2020/12823)

Address: 1st Floor, SGM Plaza, 8/226, Arya Nagar, Kanpur-208002 (U.P.)

..... **Applicant/Corporate Person**

Order pronounced on: 06th February, 2025

Coram:

Mr. Praveen Gupta : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

Appearances:

Sh. Shashi Kant Gupta, PCS : For the Petitioner



ORDER

1. The present application CP (IB) No. 53/ALD/2023 was filed on 24.07.2023 by the Liquidator under section 59(7) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as the “**Code**”) read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (hereinafter referred as the “**VLP Regulations**”) seeking dissolution of the company M/s Saveena Enterprises Pvt Limited (hereinafter referred to as the “**Company/Applicant**”).
2. The aforesaid Company was incorporated on 29.06.1992 under the Companies Act 1956 having CIN No. U18101UP1992PTC014508. The registered office of the Company is situated at 15/96, Civil Lines, Kanpur- 208001 (U.P.), which lies within the territorial jurisdiction of this Bench. The Authorized Share Capital of the Company is Rs. 4,00,00,000/- (divided into



40,00,000 equity shares of Rs. 10/- each) and it's issued, subscribed and paid-up Share Capital of Rs. 3,58,53,000/-(divided into 35,85,300 equity shares of Rs. 10/- each).

- 3.** As stated in the instant application, the main object of the Company was to carry on the business as manufacturers and dealers of textiles and related products. The Memorandum of Association and Articles of Association of the Company, a copy of which is attached as Annexure 2 (Colly) of the application.
- 4.** Due to changes in the business environment, the company's operations gradually declined to an insignificant level and eventually ceased altogether, with no prospects of resuming or continuing any business activities in the future. Considering these circumstances of not being able to run the business, the Board members in their meeting held on April 18, 2022 decided to wind



up/liquidate the operations of the company voluntarily under the provisions of Section 59 and other applicable provisions of the Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

5. It is further, stated in the application that after deciding to voluntarily liquidate the Company, the members of the company unanimously passed a special resolution u/s 59 of the Code in the Extra Ordinary General Meeting held on 14.05.2022 approving the voluntary liquidation of the company. They appointed Mr. Sushil Kumar Gupta, a Registered Insolvency Professional having Registration no. IBBI/IPA-002/IP-N00822/2019-2020/12823 as a liquidator of the company with effect from 14.05.2022. Copy of Extra Ordinary General Meeting Resolution dated 14.05.2022, consent



letter of the Liquidator, and his certificate of Registration have been annexed as Annexure-5 (Colly) with the Application.

6. It has been further stated in the application that as required for the resolution for voluntary liquidation of the Company, the Liquidator issued a public announcement in Form-A in terms of Regulation 14 of the VLP Regulations 2017 inviting the claim from the stakeholders and the same was uploaded on the website of Insolvency and Bankruptcy Board of India (herein after referred as '**IBBI**') and also published in both English and Hindi newspapers, namely 'The Pioneer' and 'Rashtriya Sahara' on 16.05.2022. A copy of the Newspaper cuttings has been annexed as Annexure-6 (Colly) with the application.
7. Thereafter, the Applicant notified ROC about the Board Resolution passed for the commencement



of voluntary liquidation of the Corporate Person through a letter dated 17.05.2022 and appointment of Liquidator by filing e-form MGT-14 dated 16.05.2022. An intimation letter was also sent to IBBI on 17.05.2022 along with EGM Resolution. All these documents have been annexed as Annexure -7 (Colly) and Annexure-8 with the application.

8. In terms of Regulation 9 of the VLP Regulations, Preliminary Report dated 21.06.2022 was prepared by the liquidator and sent to the Directors of the company. The report has been found to be made in the prescribed format giving details of capital structure, assets, liabilities, etc. of the company as on 14.05.2022 (the date on which decision by directors was taken for liquidation of the company). As per this report, there are no Financial creditors and one Operational Creditor of the Company. Apart from



this, there is no other outstanding liability as on the date of liquidation commencement. A Copy of the Preliminary Report and its acknowledgment has been annexed as Annexure-11 (Colly) with the Application.

9. On perusal of the record, it is found that the applicant company has complied with Section 59(3)(a) of the Code by filing a declaration signed by the Board of Directors stating, inter alia, that full enquiry into the affairs of the company has been made and the company has no debts and if so claimed during the liquidation process, the company will be able to pay its debts/claims in full, from the proceeds of the assets to be sold in liquidation, within a stipulated period. The directors of the applicant company have also submitted the Declaration of Solvency by way of a joint affidavit dated 18.04.2022, deposing therein that the company is not being liquidated to



defraud any person. Copies of the audited financial statements for period prior to liquidation commencement date has also been attached to the application.

10. As required under section 178(1) of the Income-Tax Act, 1961 on winding up of a company, the applicant has sent an intimation letter dated 17.05.2022 to the Income Tax Department informing about the above decision of the Voluntary Liquidation of the Company taken by the members of the Company with a request to file any outstanding claim. In response to the said letter, the concerned assessing officer of the Company filed counter affidavit vide diary no. 470 dated 15.02.2024 thereby informing in terms of their paragraph no.s 5 and 6 that neither any outstanding demand is due nor any other proceedings are pending in respect of the Corporate Person. It



was further submitted that they had no objection to the voluntary liquidation of Saveena Enterprises Private Limited under Section 59 of the Insolvency and Bankruptcy Code, 2016.

- 11.** As per the requirements of the Regulations 34(1) of the VLP Regulations, the Liquidator opened a Bank account of the Company in the name of “Saveena Enterprises” with Bank of Maharashtra, Sangam Palace Branch, Mall Road Branch, Kanpur on 20.07.2022 for realization and payment to the creditors, members and stakeholders.
- 12.** The Liquidator placed request for the change of Authorized signatory of the existing bank account of the Company with Yes Bank, New Delhi through a letter dated 17.05.2022. A copy of the Letter sent to the Bank has been annexed as Annexure-10 (Colly) with the Application.



13. The accounts of the liquidation showing the receipts and payments pertaining to liquidation since the liquidation date i.e. 14.05.2022 till 13.05.2023 were prepared and sent to the Auditor for submitting his Audit Report thereon. The Auditor submitted his report on 15.05.2023. A copy of the Receipts and Payments Report and the Independent Practitioner's report thereon dated 15.05.2023 have been annexed as Annexure-13 with the Application.

14. In the meantime, after settling the claim received from an operational creditor and covering liquidation-related expenses, the Liquidator distributed a surplus amount of Rs. 21,20,000/- among the shareholders on a proportionate basis on 31st March 2023 and on 12th May 2023, respectively. Additionally, as per sub-regulation (3) of Regulation 35 of the VLP Regulations, the Liquidator distributed



illiquid investments, consisting of 4,18,000 unquoted equity shares of Rs. 10/- each in Rosewood Hospitality Private Limited (a Group Company), among the shareholders of the Corporate Person on a proportionate basis, as these assets could not be sold or disposed of despite best efforts.

15. After the settlement of the claims of the shareholders and payment of the residual amount to the shareholders of the Corporate Person and the liquidation expenses to the Liquidator, the Bank Account of the Corporate Person was brought to 'NIL' balance on 19.05.2023. The Liquidator has not yet closed the Bank Account as some refund amount is expected from the Income Tax Authorities. A copy of the Statement of the Bank of Maharashtra for the period from 20.07.2022 to 19.05.2023 has been annexed as Annexure – 14



with the Application.

16. As per Regulation 38(1), the Liquidator filed its Final Report dated 29.05.2023 and sent to the IBBI via email on 29.05.2023 and has also filed in e-form No. GNL-2 vide SRN AA2710213 on 31.05.2023 to the Registrar of Companies (ROC), Uttar Pradesh at Kanpur. The Liquidator has attached Compliance Certificate in Form-H with the application. Copy of Final Report, Form GNL-2, Filing Receipt, Copy of Email to IBBI and Form H have been annexed as Annexure-1(Colly) and Annexure 15 with the Application, respectively.

17. Notice was issued to the concerned ROC Uttar Pradesh vide an order dated 09.08.2023. The affidavit of service was filed by the liquidator vide Diary No. 2387 dated 05.09.2023. In compliance with the above order, ROC- Kanpur filed its report vide dairy no. 2598 on 04.10.2023,



whereby it has stated that no inquiry/ inspection/ complaint/ legal action has been proceeded/ pending against the subject Company.

18. Further, the Applicant Company obtained a valuation report on 25.02.2022, from an IBBI Registered Valuer.

19. We have heard the learned counsel appearing on behalf of the Applicant and have also carefully gone through the application filed by the Applicant/liquidator seeking dissolution in terms of section 59(7) of the Code. We have also duly considered the merits thereof in the light of the statutory provisions of Section 59 of the Code read with VLP Regulations.

20. While examining the Compliance Certificate in prescribed Form H, we find that in Clause 9 which talks about completion of the process beyond 90/270 days, the Liquidator admitted



that the voluntary liquidation process exceeded the 270-day time frame due to delays in debt realization and the disposal of illiquid, unquoted equity shares distributed in specie among stakeholders. However, the process was successfully completed within 12 months from the Liquidation Commencement Date. This is inconsistent with the amended Regulation 37(1) of the Insolvency and Bankruptcy Board (Voluntary Liquidation Process) Regulations, 2017 ("VLP Regulations"), which stipulates that the timeline for completing the Voluntary Liquidation Process has been reduced from 12 months to 270 days, within which the Liquidator is expected to complete the liquidation process. Keeping in view that the Liquidator, while complying with all due formalities and filing all requisite documents, couldn't complete the Voluntary Liquidation process in the newly stipulated time period



despite his best efforts, as enumerated/ submitted by the liquidator, we deem it appropriate to condone the delay and proceed to examine the matter further.

21. After examining the application, documents annexed therewith and the submissions made by the Liquidator, we find that the affairs of the Company have been completely wound up, and its assets completely liquidated and there is no litigation pending against the Company. Liabilities are also stated to have been discharged and therefore, there is no legal impediment in allowing the prayer of the applicant for taking on record the Final Report of the Liquidator and pass an order for dissolution of the Company.

22. Accordingly, we, in the exercise of the power conferred under Section 59(8) of the Insolvency and Bankruptcy Code, 2016, order that the



Corporate Person (the Company under liquidation in the present application) shall be dissolved from the date of this order.

23. In terms of Regulation 41 of Voluntary Liquidation Process Regulations, 2017, the Applicant/ Voluntary Liquidator shall preserve copies of all such records, which are required to give a complete account of the Voluntary Liquidation Process. Further, the Applicant/Liquidator shall preserve a physical or an electronic copy of the reports, registers, and books of account referred to in Regulations 8 and 10 for at least 08 years after the dissolution of the corporate person, either with himself or with an information utility.

24. The Applicant is directed to serve the copy of this Order upon the Registrar of Companies (ROC), with whom the Company is registered, within 14 days of receipt of this Order. The ROC shall act



as be necessary upon receipt of a copy of this Order.

25. Thus, the present Company Petition is allowed and stands disposed off.

-Sd-

**(Ashish Verma)
Member (Technical)**

-Sd-

**(Praveen Gupta)
Member (Judicial)**

Date: 6th February, 2025