

IN THE NATIONAL COMPANY LAW TRIBUNAL
AT JAIPUR

**CORAM: SHRI DEEP CHANDRA JOSHI,
HON'BLE JUDICIAL MEMBER**

**SHRI ATUL CHATURVEDI,
HON'BLE TECHNICAL MEMBER**

CP (IB) No. 13/59/JPR/2023

(Section 59 of the Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)

IN THE MATTER OF VOLUNTARY LIQUIDATION OF:

R.N.C. COTTON MILLS PVT. LTD.

CIN: U17111RJ1990PTC005412

R/o: Chak 24 GB Sri Bijay Nagar,
District Shriganganagar-335704

Through its Liquidator Mr. Sandeep Kumar Jain

...Applicant

FOR THE APPLICANT : Sandeep Kumar Jain, PCS
FOR THE ROC : Pooja Singh, JTA

Order Pronounced On: 11.08.2023

ORDER

Per: Shri Deep Chandra Joshi, Judicial Member

1. This Application is filed by *M/s R.N.C. Cotton Mills Pvt. Ltd.* ('Company') through the Liquidator, namely *Mr. Sandeep Kumar Jain*, seeking dissolution of the Corporate Person through voluntary liquidation under Section 59 of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 ('IBBI Regulations').



2. The aforesaid Company is a Private Limited Company incorporated on 11.05.1990 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U17111RJ1990PTC005412. The registered office of the Company is situated at Chak 24 GB Sri Bijay Nagar, District Ganganagar-335704. The authorized share capital of the Company is Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided into 10,000 equity shares of Rs. 100/- each and the paid-up share capital of the Company is Rs. 7,50,000/- (Rupees Seven lakhs Fifty Thousand Only) divided into 7,500 equity shares of Rs. 100/- each. The said details have been verified from the website of the Ministry of Corporate Affairs.
3. The main objects of the Company as set out in the Memorandum of Association is to carry on business of Processors, combers, spinners, ginner, knitters, manufacturers, dryers, bleachers, finishers, balers and pressers of any fibrous or textile material whether against agricultural or animal or natural product or its bye-products or chemical or synthetic fibre, jute, hemp, silk, cotton, wool, mesta, nylon, terene, staple fibre and to manufacture any product from such raw material or textile material and to carry on the business of buyers, sellers and dealers of all such raw or processed or semi-processed materials and to transact al manufacturing, cutting and preparing process and mercantile business relating to the above products.
4. It has been submitted that subsequent to 31.03.2022 there has been no change in the share capital of the Company till the date of filing of this



Application on 13.03.2023. As per Master Data there are three (3) directors namely, Mr. Sudhir Chowdhary, Ms. Suchitra and Ms. Nilima Chowdhary.

Moreover, the Audited Financial Statements of the Financial Year ending on 31.03.2021 and 31.03.2022 have been duly annexed as Annexure–B.

5. It has been contended that although the Company was incorporated to carry on the business as specified in its object clause, it is no longer carrying on any business activities and have no prospects to carry any business in future. Hence, the management has thought fit to liquidate the Company Voluntarily. The Board of Directors of the Company passed a resolution dated 09.04.2022 for Voluntary Liquidation of the Company and appointed *Mr. Sandeep Kumar Jain* as the Liquidator for the said purposes. The Board Resolution dated 09.04.2022 has been annexed as Annexure–C of the Application.
6. In consequence of the aforementioned resolution, the directors of the Company have filed their respective affidavits dated 19.05.2022 (Annexure–C of the Application) in support of declaration of solvency stating that they have made full enquiry into the affairs of the Company and they have formed an opinion that the company has no debts and the Company is not being liquidated to defraud any person. The Directors have appended, to the aforesaid affidavit, audited financial statements of the Company of previous two financial years, *viz.* year ending 31.03.2021 and 31.03.2022.



7. The Extra-Ordinary General Meeting ('EGM') of shareholders of the Company was held on 27.05.2022 and a special resolution was passed, in pursuance to the provisions of Section 59(3)(c) of the Code, wherein the members unanimously voted to liquidate the Company voluntarily and Mr. Sandeep Kumar Jain an Insolvency Professional (IBBI/IPA-002/IP-N00174/2017-18/10446) was appointed as the Liquidator of the Company. The copy of special resolution and minutes of EGM are annexed as Annexure – E of the Application.
8. The Declaration of Solvency as required under Section 59 of the Code was filed with RoC and the Copy of e-form GNL-2 signed by the Directors is attached with the Application as Annexure-D. In compliance of Regulation 3(2) of the IBBI Regulations, it is submitted that the Liquidator within the prescribed period had notified the Registrar of Companies, Jaipur ('ROC') and copy of Form MGT-14 has been annexed as Annexure-F of the Application.
9. As per the requirement of Regulation 14 of the IBBI Regulations, the Liquidator published notification in two newspapers namely, '*The Indian Express*' in English and '*Jansatta*' in Hindi having wide circulation in the State of Rajasthan on 30.05.2022 intimating commencement of liquidation proceedings to the public at large and inviting claims from various stakeholders on or before 25.06.2022. The same was uploaded on the website of IBBI which were subsequently published. Copy of Public



Announcement and intimation to IBBI along with snapshot from the website of IBBI have been annexed as Annexure–G and Annexure–H respectively.

10. The Liquidator in terms of Section 176 and 178 of the Income Tax Act, 1961, intimated the Income Tax Department vide separate letters dated 01.06.2022 regarding the discontinuation of business of the Corporate Debtor and its appointment in the Company as a Liquidator thereby calling for information regarding the pending tax penalties respectively. The said has been annexed as Annexure–I and Annexure–J of the Application.
11. Pursuant to Regulation 9 of the IBBI Regulations, the Liquidator submitted a preliminary report dated 30.06.2022 stating that the Company has assets worth Rs. 50,08,531/- and no liabilities as on date of Commencement of Liquidation i.e. 27.05.2022. Further, the company is not doing any business and has sold assets in the year 2021-22.
12. In terms of Regulation 38 of the Regulations, the Liquidator prepared a Final Report enumerating the details of receipts and payments pertaining to the liquidation from the Liquidation Commencement Date. It has been mentioned in the Fial Report that since the Company did not have any assets other than Cash and Bank Balance, therefore, the requirement to dispose of the assets of the Company was not applicable. The Company did not have any creditors as on Liquidation Commencement Date and no liquidation is pending, hence, there is no need to make any provision for meeting the obligation arising from any pending Litigation. From the details annexed



with the Final Report, it is seen that the Cash and Bank Balance as on date of Commencement of Liquidation i.e. Rs. 50,08,531/- has been duly utilised towards payment to the Shareholders, Liquidator, TDS to Income Tax Department, Miscellaneous Expenses and the undistributed proceeds amounting to Rs. 1,28,600/- was transferred to the IBBI Voluntary Liquidation Account.

13. As per Regulation 34 of IBBI Regulations, the Liquidator had duly opened a Current Account in the name and style of '*R.N.C.Cotton Mills Pvt. Ltd. in Voluntary Liquidation*' in Punjab National Bank (Everest Colony, Jaipur) on 09.06.2022 and an amount of Rs. 50,08,531/- was deposited and later realised in the Bank Account. It has been submitted vide Diary No. 931/2023 dated 11.04.2023 that no amount has been left in the account and the account has been closed. The Account Statement has been annexed with the Diary No. 931/2023 dated 11.04.2023 at Page 16-19.
14. The Liquidator has filed the Audited Financial Statements as on Liquidation Commencement Date vide Diary No. 931/2023 dated 11.04.2023. The Audited Balance Sheets of the Company as on 20.02.2023 have been annexed with the main Application at Page-115 to 116.
15. The Final Report was duly filed with the Office of the Registrar of Companies and Insolvency and Bankruptcy Board of India; the proof of same has been annexed as Annexure-O and Annexure-P respectively. The



List of stakeholders to whom payment is made during the Liquidation Period have been annexed as Annexure–M of the Application.

16. The ROC *vide* Dairy No. 1655/2023 dated 05.07.2023 stated that they have no objection against the voluntary winding up of the Company. However, the Liquidator shall file a copy of this Order in Form No. INC–28 with fees within 30 days along with relevant documents. The Liquidator duly informed the Income Tax Department as mentioned above and no objections have been received on behalf of the department, hence, it is presumed that the Department has no observations/remarks in the present matter and has no objection to the dissolution of the Company. In the interest of justice, it is instructed that the interest of the Income Tax Department is protected to the extent that if any demand arises, the concern shareholders of the Company along with its directors are liable to comply with the demand as and when it arises.
17. On examining the submissions made by the counsel appearing for the Company and the documents annexed to the application, it transpires that the affairs of the company have been completely wound up, and its assets have been completely liquidated. The Liquidator has also made necessary application to this Adjudicating Authority for dissolution.
18. It is seen that necessary compliances of Section 59 and other relevant provisions of the Insolvency and Bankruptcy Code, 2016 read with the



regulations have been made within 12 months from the date of commencement of the liquidation proceedings.

19. In view of the foregoing and the necessary compliances which have been made by the Corporate Person and the Liquidator, this Adjudicating Authority in exercise of the powers conferred under sub-section (8) of Section 59 of the Insolvency and Bankruptcy Code, 2016 hereby allows CP No. (IB) 13/59/JPR/2023 with the following directions:

- I. The Corporate Person, *M/s R.N.C. Cotton Mills Pvt. Ltd.*, stands dissolved from the date of this Order i.e., 11.08.2023.
- II. The Liquidator is directed to file a copy of this order with the concerned Registrar of Companies, Income Tax Department, and IBBI within 14 days from the date of receipt of an authentic copy this order, for information and necessary action.
- III. The Liquidator is also directed to file this order with all other Statutory Authorities, if any, connected with the affairs of the Company.
- IV. The Liquidator shall preserve a physical or 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.



20. The Registry is directed to send a copy of this order to the Applicant along with the office of the RoC.

21. In view of the foregoing, this *CP(IB)No.13/59/JPR/2023* stands disposed of with the abovesaid directions.

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**DEEP CHANDRA JOSHI,
JUDICIAL MEMBER**

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**ATUL CHATURVEDI,
TECHNICAL MEMBER**