

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU

*(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)*

(through web-based video conferencing platform)

C.P.(IB)No.196/BB/2022

U/S.59 (7) of the IBC, 2016

R/w. IBBI (Voluntary Liquidation Process)
Regulations, 2017

In the matter of:

Mr. Pinakin Shah
Liquidator of VSN Pan Products Limited
(Under Liquidation)

R/o. at 05, Ground Floor,
Krishna Complex, Madhugiri Road,
Antharasanahalli, Arakere Post,
Tumkur – 572 106 - Applicant

AND

The Registrar of Companies, Bangalore
'E' Wing, 2nd Floor,
Kendriya Sadan,
Koramangala,
Bengaluru – 560 034 - Respondent

Order delivered on: 4th July, 2023

Coram: 1. Hon'ble Ms. Bidisha Banerjee, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Parties/Counsels Present:

For the Liquidator : Shri Ishan Shah

ORDER

Per: Manoj Kumar Dubey, Member (Technical)

1. This Application has been filed under Section 59 (7) of the IBC, 2016 R/w. IBBI (Voluntary Liquidation Process) Regulations, 2017 by the Liquidator on 22.06.2022, seeking to order the winding up of the affairs of the Company.

2. The aforesaid Company, M/s. VSN Pan Products Limited (hereinafter referred to as “Applicant Company”) was incorporated on 19.07.2016 under the provisions of the Companies Act, 2013, having CIN: U36990KA2016PLC095106. Its Authorized Share Capital is Rs.1,00,00,000/- divided into 1,00,000 Equity Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Share Capital of the Company is Rs.1,00,00,000/- divided into 1,00,000 Equity Shares of Rs.100/- each. The main objects of the Company is involved in the business of manufacture, import, export, sell, stock and deal in permitted Pan Masala & Pan Masala Products, Supari, Mouth fresheners and to produce, improve, finance and promote the manufacture of pan masala products, Supari, Mouth Fresheners and allied items etc.
3. The registered office of the Company is presently situated at 05, Ground Floor, Krishna Complex, Madhugiri Road, Antharasanahalli, Arakere Post, Tumkur, which lies within the territorial jurisdiction of this Bench.
4. The following averments have been made in the Petition:
 - a. The Board of Directors of the Company in their meeting held on 04.12.2020 for taking note of **Declaration of Solvency** of the Company as required under Section 59 (3) (a) of the IBC, 2016 by majority of the Directors, decided to wind up the affairs of the Company by voluntary liquidation of corporate person. Further, the Directors have filed Declaration of Solvency dated 27.01.2021 stating that they have made full inquiry into the affairs of the Company, and are of the opinion that the Company has no debt and it will be able to pay its debts in full from the proceeds of assets and the Company is not being liquidated to defraud any person.
 - b. The Company in its Extraordinary General Meeting held on 01.01.2021 passed a **Special Resolution to liquidate the Company voluntarily**, and appointed Shri Pinakin Shah, IP, to

act as Liquidator of the Company. A copy of the minutes of the EOGM is attached as Annexure-6 of the Petition.

- c. The Audited Financial Statements of the Company as on 31.03.2021 along with Auditor's Report has been filed.
- d. The commencement of liquidation and appointment of liquidator is intimated to the ROC in form MGT-14 on 07.01.2021 and GNL-2 (for submissions of documents) on 07.01.2021. The Public Announcement was simultaneously submitted to IBBI to place the same on its website on 08.01.2021.
- e. **Public Announcement (Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator made a Public Announcement of commencement of liquidation in Form A, in 'Business Standard', English Newspaper and 'Vijayavani', Kannada Newspaper on 08.01.2021, seeking submission of the claim by the stakeholders, if any, within 30 days from the date of commencement of liquidation i.e. 31.01.2021.
- f. **List of stakeholders (Regulation 30 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - It is submitted that there were no creditors in the Company under Liquidation, the requirement of consent from them was not applicable.
- g. **Preliminary Report (Regulation 9 (1) of Chapter IV of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator submitted the preliminary report to the Company on 05.02.2021.
- h. **Opening of Bank Account (Regulation 34 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - As required under Regulations, the liquidator opened a separate Bank Account in the name of the Company was opened with HDFC Bank, Tumkur Branch, for Liquidation purposes.
- i. **As per provisions of Section 178 of the Income Tax Act, 1961**, It is submitted that the Income Tax Authority was

intimated about the commencement of liquidation and appointment of liquidator on 08.01.2021.

- j. **Distribution of Liquidation Proceedings** – It is submitted that Liquidation funds were distributed to the concerned stakeholders as per the distribution mechanism prescribed U/s.53 of the IBC, 2016.
- k. **Bank Account Closure** – It is submitted that subsequent to the payment to shareholders, the Liquidator has closed the Bank Account on 24.04.2021.

- l. On 22.02.2023, the following order was passed:

“...2. It is noticed that Receipts and Payment Account filed by the Chartered Accounts at page no.97 of the Petition is not properly filed. Therefore, Ld. Counsel for the Petitioner is directed to comply with the same. This shall be done within two weeks’ from today.

- m. Pursuant to the above order, the Ld. Counsel for the Petitioner has filed an Affidavit for compliance vide Diary No.2342 dated 28.04.2023, and the same is taken on record.

- n. **Final Report – Regulation 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017) –**

Accounts of the Liquidation, showing summary of receipts and payments pertaining to liquidation for the period 01.04.2021 to 09.04.2022

RECEIPTS	Rs.	PAYMENTS	Rs.
Receipt from the Sale/Realization of Liquidation Estate (from Fixed Deposits in the Bank)	93,43,260	PROFESSIONAL FEES:	
		Audit fee paid for the Audit of Receipt and Payment Account during the period of liquidation and other compliances	10,000
		Professional fees for Assignment Agreement	50,000
		Bank Charges	-
		Remuneration of Liquidator	37,760
		Advocate fees for making Application for Liquidation	25,000
		Professional fees to accountant Advertisement Expense/public Announcement Cost	20,900
		Public announcement for Liquidation	22,680
		Public Announcement Exp. During Liquidation	-
		Public Announcement for stake holders meeting NCLT Fees	-
		NCLT fees for dissolution application	5000
		OTHER EXPENSES	
		Printing, Stationery and conveyance	50,560
		TDS	-

		Professional fees for ROC filing Payment to Stakeholders	20,000
		Payment to Equity Shareholders	91,01,360
	93,43,260		93,43,260

- o. The Final Report dated 09.04.2022 of the Liquidating Company was submitted with ROC and IBBI on 19.04.2022.
5. Heard Shri Ishan Shah, learned Counsel for the Liquidator. We have carefully perused the record and extant provisions of the Code, and the Regulations made thereunder.
 6. Therefore, the affairs of the Corporate Person have been completely wound up and its assets have been liquidated and nothing remains to be liquidated. Thus, the compliances of Section 59 and other relevant provisions of the IBC, 2016 r/w. Regulation 37(2) of IBBI (Voluntary Liquidation Process) Regulations, 2017 from the date of commencement of the liquidation proceedings is completed. Hence, we are of the considered opinion that the Corporate Person, through its liquidator, has been voluntarily liquidated.
 7. In view of the foregoing, **M/s. VSN Pan Products Limited**, the Applicant Company is hereby dissolved with effect from the date of the present order. A copy of this order be filed with the ROC within fourteen days.
 8. The Petition bearing **C.P.(IB)No.196/BB/2022** is accordingly allowed in the above terms.

-Sd-
MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)

-Sd-
BIDISHA BANERJEE
MEMBER (JUDICIAL)