

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

CP(IB)/58(CHE)2023

(filed under Section 59(7) of the Insolvency and Bankruptcy Code, 2016)

In the matter of **M/s. SREEVATSALAKSHMI FINANCE
CORPORATION LIMITED.**

Dr. C.V. Madhusudhanan,
Liquidator of
M/s. Sreevatsalakshmi Finance Corporation Limited,
CIN: U65910TZ1998PLC008513
No.324, Mettupalayam Road,
Coimbatore-641 043

..... *Petitioner*

Order Pronounced on 20th June, 2023

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)

For Petitioner: Mrs. S. Manjula Devi, Advocate

ORDER

(Hearing conducted through VC)

Per: SANJIV JAIN, MEMBER (JUDICIAL)



This petition has been filed under Section 59(7) of the Insolvency & Bankruptcy Code, 2016 ("**IBC, 2016**") by the Petitioner/Liquidator of the Corporate Debtor viz., **M/s. Sreevatsalakshmi Finance Corporation Limited** for the dissolution of the Company.

2. Briefly, the facts are that the Corporate Debtor viz., Sreevatsalakshmi Finance Corporation Limited was incorporated on

27.07.1998 under the provisions of the Companies Act, 1956 having Registered Office at 324, Mettupalayam Road, Coimbatore-641 043 within the jurisdiction of this Tribunal. The main objectives of the Company were to carry on the business of Non-Banking Finance Company as per the Memorandum of Association and Articles of Association as **Annexure-2**.

3. It is stated that the Company is not in operation since it surrendered its Non-Banking Finance Company ("NBFC") license with Reserve Bank of India on 06.08.2019. Thereafter, the Company did not make any fresh advances and fully recovered the advances made before 20.06.2019 as on 31.03.2021. It is stated that Board of Directors in the meeting held on 28.07.2021 formed an opinion based on the statement of affairs of the Company as on 15.07.2021 that the Company is solvent and it would be able to pay its debt in full from the proceeds of the assets of the company to be sold in voluntary liquidation. Subsequently, on 23.08.2021, the Statutory Auditors Suri & Co. issued a Certificate wherein the creditors of the Company stood at NIL. It was also found that the Company has no debt to pay.

4. It is stated that the company has no immovable properties. Its movable assets comprised of only cash balance in the bank and the income tax advances to be reclaimed. In these circumstances, the Board of Directors decided to liquidate the affairs of the

Company voluntarily in terms of Section 59 of the Code. The directors filed the Affidavits before the Registrar of Companies, Coimbatore on 06.09.2021 along with the copies of the audited financial statements of the Company for the Financial Years 2019-20 and 2020-21 as **Annexure-5 & 6**. A General Meeting was also convened on 01.09.2021 for seeking approval of the members for Voluntary Liquidation of the Company.

5. It is stated that on 01.09.2021, members of the Company passed a Special Resolution to liquidate the company voluntarily in terms of Section 59 of the Code and appointed Dr. C.V. Madhusudhanan, Insolvency Professional as Liquidator of the Company to carryout the liquidation process in terms of the Code and have filed Special Resolution before the Registrar of Companies, Coimbatore as **Annexure-7**.

6. It is stated that voluntary liquidation proceedings in respect of the Company commenced from the date of passing of the resolution in the General Meeting i.e. on 01.09.2021. It is stated that the Company owes no debt to any person or creditors. It is stated that in pursuance of Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, public announcement in Form-A of the Schedule-1 was made in the newspapers on 04.09.2021 calling upon the stakeholders to submit their claims on or before

01.10.2021, however, no claims were received from any of the stakeholders within the stipulated time. The Liquidator then submitted his Preliminary Report before the Company on 05.10.2021 as Annexure-9. He closed the existing bank account of the Company and opened a separate bank account on 18.10.2021 vide A/c No.4379002109908873 for realization and payment to Equity Shareholders. It is stated that post making various payments including liquidation costs paid in full and keeping the balance of Rs.1,59,000/- (Rupees One Lakh Fifty Nine Thousand only) to meet the proposed liquidation/legal expenses that may be incurred, the Liquidator distributed the remaining funds among the Equity Shareholders as detailed in para-21 of the application. He also took steps for closure of the liquidation account with the Punjab National Bank. He completed the liquidation process and got the final statement of account for the period from 18.10.2021 to 06.02.2023 audited from M/s. Suri & Co., Statutory Auditors of the Company who issued the Auditor's Certificate as **Annexure-10**. He thereafter submitted the Final Report in accordance with Regulation 38 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and filed with the authorities along with the Compliance Certificate in Form-H as **Annexure 11 & 12**.



7. We have heard Ld. Counsel for the Petitioner and perused the record.

8. A perusal of record reveals that the Company was incorporated to carry on the business of Non Banking Finance Company. It was operational till 31.03.2017. Since it was not maintaining the net owned funds of Rs.2,00,00,000/-, Department of Non-Banking Supervision vide dated 08.06.2018 cancelled the Company's Certificate of Registration for carrying on NBFC business. Thereafter the Company surrendered the NBFC license with the Reserve Bank of India on 06.08.2019.

9. Record reveals that the Directors of the company in the meeting held on 28.07.2021 made the enquiries into the affairs of the Company and found the Company solvent to pay its debt in full from the proceeds of the assets of the Company to be sold in Voluntary Liquidation. They obtained the statement of affairs of the Company from their Statutory Auditors M/s. Suri & Co. on 23.08.2021 and found that the company has no debt to pay.

10. Record further reveals that company did not have any immovable properties and it had movable assets comprised of cash balance in the bank and income tax advances to be reclaimed. They submitted their financial statements before the Registrar of Companies, Coimbatore and sought approval of the members by

convening a General Meeting on 01.09.2021 for voluntary liquidation of the company which was passed on 01.09.2021.

11. The auditors in the statement of affairs of the Company, submitted the details as on 23.08.2021 as tabulated below (**para 14, page 5**).

Particulars	Estimated Value in Rs.	Realisable
a. Asset not specifically pledged:		
Balance at Bank	58,91,342	
Income Tax refund receivable	78,988	
b. Asset specifically pledged		—
Gross realisable value of assets (a + b)	59,70,330	
Issued and called up capital 5,20,000 equity shares of Rs.10 each	52,00,000	
Estimated surplus as regards members	7,70,330	

12. The Liquidator initiated the process of liquidation made the paper publications and invited the claims from the stakeholders on or before 01.10.2021. He however did not receive any claim from any other stakeholders within the stipulated time and submitted a Preliminary Report with the Company on 05.10.2021. He also opened a separate bank account with Punjab National Bank on 18.10.2021 for realization and payment to the Equity Shareholders.

13. Record reveals that there were 9 Equity Shareholders in the company as detailed below: (page-6, para-21).

S.No	Name of the stakeholders	Amount distributed (Rs)	Date of distribution
1.	Mrs.Shantha Ramaswamy	2,74,975	02.02.2022
2.	Mr. C S Ramaswamy	15,94,855	02.02.2022
3.	Mr. C V Ravindranath	16,49,850	11.02.2022
4.	Mrs.Gayatri Ravindranath	2,74,975	11.02.2022
5.	Mrs.Lakshmi Viswanathan	2,74,975	11.02.2022
6.	Mr.C N Sathyamurthy	8,24,925	14.02.2022
7.	Mrs.Usha Sathyamurthy	2,74,975	14.02.2022
8.	Mrs.Meenakshi Krishnamurthy	2,74,975	23.02.2022
9.	Mr.C N Krishnamurthy	2,74,975	23.02.2022

14. The liquidator distributed the funds among the equity shares as detailed above keeping a sum of Rs.1,59,000/- (Rupees One Lakh Fifty Nine Thousand only) to meet the liquidation/legal expenses. The accounts show that after the distribution, there was NIL balance in the account. The Liquidator also got the final statement of accounts audited from the Statutory Auditors M/s. Suri & Co.

15. The Petitioner has submitted Form-H (Compliance Certificate) under Regulation 38(3) of Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 giving the details of Voluntary Liquidation Process, the details of the

Corporate Person, details of realization and the details of distribution in terms of Section 53 of the Code. The payments and receipts including the details of distribution of the proceeds as stated in Form-H are reproduced as under (**page 122, 123**).

i. **Payments:**

Date	Particulars	Rs.
25.11.2021	Cheque Book charges	118
21.01.2022	TDS on liquidation proceeds	57,720
07.02.2022	Cheque rejection charges	472
09.02.2022	Liquidation Expenses (Payment for advertisement)	38,461
08.7.2022	SMS charge	30
06.02.2023	Certification fee	11,800
06.02.2023	Legal consultation fee	1,47,463

ii. **Receipts:**

Date	Particulars	Rs.
17.11.2021	Transfer from Old Account (A/C number ending with 19945)	59,44,824
23.03.2022	TDS refunds	30,720

S.No	Name of the stakeholders	Amount distributed (Rs)	Date of distribution
1.	Mrs. Shantha Ramaswamy	2,74,975	02.02.2022
2.	Mr. C S Ramaswamy	15,94,855	02.02.2022
3.	Mr. C V Ravindranath	16,49,850	11.02.2022
4.	Mrs. Gayatri Ravindranath	2,74,975	11.02.2022
5.	Mrs. Lakshmi Viswanathan	2,74,975	11.02.2022
6.	Mr. C N Sathyamurthy	8,24,925	14.02.2022
7.	Mrs. Usha Sathyamurthy	2,74,975	14.02.2022
8.	Mrs. Meenakshi Krishnamurthy	2,74,975	23.02.2022
9.	Mr. C N Krishnamurthy	2,74,975	23.02.2022

16. In the present case, the liquidation process was initiated on 01.09.2021. It could not be completed within the time prescribed for the liquidation. An affidavit has been filed by the Liquidator to bring on record the approval from the stakeholders for extending the liquidation period of the company in terms of the order dated 11.04.2023. Affidavit shows that the meeting was convened on 22.04.2023 where 5 stakeholders out of 9 stakeholders participated and they voted in favour of extension of the liquidation.

17. From the documents and the report of the Petitioner, it is clear that the Petitioner complied with all the requirements as contemplated under the Code and the Regulations without any deviation and satisfied the claims of all the stakeholders who

pursuant to the wide publicity had filed their claims. There is no complaints of any of the stakeholders or anyone else in respect of satisfaction of claims/distribution of the amounts / balances lying with the company. As on date, there is NIL balance in the account of the company.

18. Thus, on examining the submissions made by the Learned Counsel for the Applicant and after perusing the documents annexed to the Application, it is found 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 Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we hereby order the dissolution of ***Sreevatsalakshmi Finance Corporation Limited*** and the Applicant Company shall stand dissolved from the date of this order. Accordingly, the Company Petition stands **allowed**.

19. The Registry and the Liquidator are directed to serve a copy of this order upon the jurisdictional Registrar of Companies and also to IBBI, within 14 days from the date of this Order.

- Sd -

SAMEER KAKAR
MEMBER (TECHNICAL)

- Sd -

SANJIV JAIN
MEMBER (JUDICIAL)

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