BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

C.P.(IB)No.56/BB/2021
U/s. 59(7) of the IBC, 2016

Between:

Shri Joby Chacko
Liquidator of M/s. Kumaran Hi-Tech Private Limited (in liquidation)
No.A-92/2,
Rajaji Nagar Industrial Estate,
Bangalore - 560 044. - Applicant/Liquidator

Order Delivered on: 8.12.2021

Coram: 1. Hon'ble Shri Bhaskara Pantula Mohan, Acting President
2. Hon'ble Shri Hemant Kumar Sarangi, Member (Technical)

Parties/Counsels Present (Through Video Conference):

Liquidator/Applicant	:	Shri Joby Chacko
For the Liquidator/Applicant	:	Shri Saji P. John

ORDER

Per: Hemant Kumar Sarangi, Member (Technical)

1. C.P.(IB)No.56/BB/2021 is filed byShri Joby Chacko,Liquidator of M/s. Kumaran Hi-Tech Private Limited (in liquidation) ('Applicant'), U/s. 59(7) of the IBC, 2016 by *inter-alia* seeking for dissolution of Kumaran Hi-Tech Private Limited etc.
2. Brief facts of the case, which are relevant to the issue in question, as follows:
   (1) M/s. Kumaran Hi-Tech Private Limited(hereinafterreferred to as 'the Company') is a Private Limited Company, was incorporatedon 02.07.2002, under the provisions of the Companies Act, 1956, bearing CIN:U02922KA2002PTC030716. Its Authorized Share Capital is

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Rs.5,00,000/- divided into 50,000Equity Shares of Rs.10/- each and Subscribed and Paid-up Capital is Rs.5,00,000/- divided into 50,000Equity Shares of Rs.10/- each. The main objects of the Company is to carry on the business of system integration of industrial automation products, data communication, product design to manufacture, sell, export, import and deal in industrial automation hardware and installation of product designs etc.

(2) It is stated that the Company is not carrying on the business as envisaged, and the only revenue was the lease rentals received from lease of immovable properties of the Company. The Board of Directors of the Company decided to windup the affairs of the Company and Voluntarily Liquidate it at their meeting held on June 04, 2020. The majority of the Directors of the Company executed declaration of solvency as required under Section 59(3) of the IBC, 2016.

(3) It is stated that the declaration by majority of Directors along with audited financial statements and record of business operations of the Company for the previous two years were filed with RoC, Bangalore in form GNL-2 vide SRN R41280975 on 10.06.2020. As required under Section 59 of the Code, the Company has convened and held within four weeks of declaration of solvency by the Directors, a general meeting of the Shareholders of the Company (AGM) on June 10, 2020 and passed the Special Resolution approving the Voluntary Liquidation of the Company. At the same meeting Mr. Joby Chacko, an Insolvency Professional (Reg.No. IBBI/IPA-001/IP-P01372/2018-19/12300) has been appointed as the Liquidator.

(4) It is also stated that the Company did not owe any debt to any outside person other than Director-cum-Shareholder and the said Shareholder given consent/declaration. Since the entire asset being distributed among the Shareholders, she agreed to not to consider the same as debt, hence securing consent of creditors representing two-third in value of debt of the Company to the Special Resolution

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passed within 7 days as contemplated under proviso to Section 59(3) did not apply to the Company.

(5) The Special Resolution passed by the members of the Company approving commencement of liquidation and appointment of Liquidator to be intimated to the RoC within 7 days of passing the Special Resolution. The Liquidator also filed form MGT-14 vide SRN R41565532 on 19.06.2020.The Company also intimated the Insolvency and Bankruptcy Board about the Special Resolution passed for Voluntary Liquidation of the Company by email on June 15, 2020 and by speed post on the same day. The Applicant being appointed as the Liquidator, a public announcement made in terms of Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations in English Language newspaper in 'The Hindu' and in regional language (Kannada News Paper) in 'Udayavani' on June 12, 2020 within a period of 05 days as required under Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations.

(6) The Applicant also duly notified the Income Tax Department and GST Department of the fact of commencement of Voluntary Liquidation Process of the Company and invited their objection/claims against the Company, if any. The liquidator did not receive any objections or claims from any of them.The Company was maintaining only one bank account with Canara Bank, Basaveshwara Nargar Branch, Bangalore-560079. The said bank account has been renamed as Kumaran Hi-Tech Private Limited- in Voluntary Liquidation with Liquidator as the sole signatory on 15.06.2021.

(7) The Liquidator states that the Company has no other assets except the immovable properties in its name and rent received during the liquidation period. The liability of the Company was the unsecured loan given by the Shareholder-cum-Director. The security deposit given by the Lessees were agreed to be taken over by the Shareholders and continue the lease agreement upon the distribution of property in specie against their shareholding and loan.

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(8) The Liquidator states that there are three immovable properties in the name of the company as follows;

a. All piece and parcel of the Industrial land Plot No. 41(formed by KIADB), bearing Sy. No.134, of Kandavara Village, KasabaHobli, ChikkaballapuraTaluk, Chikkaballapura District measuring 12,143 Sq. Mts, (1,30,659 Sq. Ft.) and along with Building Consisting of ACC Sheet Roofing of an area 1,443.30 Sq. Mtrs. (15,530 Sq. Ft.) and Open place is 1,15,129.00 Sq. Ft. The said property has been taken on lease by Ductrove Innovations Private Limited and there is a security deposit of Rs.1,40,00,000/- (Rupees One crore Forty Lakhs Only)

b. All piece and parcel of the Bommasandra-Jigani link Road Industrial Area Plot No. 318(P1) bearing Sy. No.193, of Jigani Village, JiganiHobli, Anekal Taluk, Bangalore Rural District, admeasurement of 8101Sq.mtrs. This property has been taken on lease by Streparava India Private Limited and there is a security deposit of Rs.1,68,40,000/- (Rupees One Crore Sixty Eight Lakhs Forty Thousand Only)

c. All piece and parcel of Bommasandra Industrial Area, Plot no. 16-A bearing Sy. Nos.305, 311 & 312 of Bommasandra Village, AattibeleHobli, AnekalTaluk, Bangalore District, admeasurement of 8085Sq. Mtrs. This property has been taken on lease by Comer Industries Private Limited and there is a security deposit of Rs.1,32,19,710/- (Rupees One Crore Thirty Two Lakhs Nineteen Thousand Seven Hundred and Ten Only)

(9) The liquidator states that the Company did not have any outside liabilities to be paid as per its books of accounts, further in response to the Public Announcement, no claims were received by the Liquidator. As required under Regulation 8(1) of the Regulations, the Liquidator made a Preliminary Report to the Company on 15.07.2020. Since no claims received, there were no question of verification of claims arises.As per the books and records of the

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company there are no other stake holders other than Equity Shareholders the Company. The Liquidator states that in the absence of any other assets to be realized except the immovable property stated hereinabove which shall be distributed among the Shareholders in specie without realizing its value along with the respective security deposit towards the lease of said properties to the Shareholders in proportion to their shareholding in the Company. The Liquidator received the NOC from the Income Tax Authorities and paid Advance Tax amounting to Rs.2,38,300/- and does not have any further tax liability.

(10) The accumulated profit of Rs.1,61,72,580.82/- has been distributed among the Shareholders and the investment of Rs.5,00,000/- has been returned to the Shareholders based on their shareholding and with the aforesaid payments to the Members the asset of the Company were fully liquidated.The bank account in liquidation has been closed subsequent to the distribution of accumulated profit and repayment of investment by the Shareholders.

(11) The liquidation account has been audited and the Auditors Certificates on the liquidation, showing receipts and payments pertaining to liquidation since the liquidation commencement date is as under :

Statement showing how the winding up has been conducted and the property of the Company has been disposed of from 10.06.2020 (commencement of valuation liquidation) to 21.04.2021 (closing of winding up).

Receipts				Payments			
Date	*Of Whom Received*	*Nature of Asset*	*Amount (Rs.)*	*Date*	*To Whom Paid*	*Nature of Payment*	*Amount (Rs.)*
10.06.2020	By Bank	Opening Balance of Liquidation on A/c	88,89,941.28	15.06.2020	Canara Bank	Bank Charges - Change in Auth. Sign for Bank Account	885
04.07.2020	By Comer Industries Ltd.	Rent	16,10,509	24.06.2020	Canara Bank	Bank Charges - NEFT	6
07.07.2020	By	Rent	24,93,678	25.06.2020	Samparka	Advertisem	76,276

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	Streparva India Pvt. Ltd.				Advertising Pvt. Ltd.	ent	
04.08.2020	By Comer Industries Ltd.	Rent	16,91,033	27.06.2020	Canara Bank	Bank Charges-SMS Alerts	30
07.08.2020	By Streparva India Pvt. Ltd.	Rent	24,93,678	03.07.2020	Income Tax	TDS	33
28.08.2020	Ductrove Innovations	Rent	20,00,000	27.07.2020	Bommasandra Industries Association	Maintenance	3,864
31.08.2020	By Ductrove Innovations Pvt. Ltd.	Rent	26,41,000	27.07.2020	Canara Bank	Bank Charges-NEFT	3
				05.08.2020	Income Tax	TDS	33
				13.08.2020	Income Tax	Advance Tax	22,00,000
				19.08.2020	GST	GST	6,64,200
				26.08.2020	The Chief Officer, Jigani TMC	Property Tax	2,45,498
				26.08.2020	Canara Bank	Bank Charges-DD	1,161
				04.09.2020	GST	GST	14,37,672
				09.09.2020	Income Tax	Arrears	21,890
				09.09.2020	Income Tax	Arrears	18,800
				27.09.2020	Canara Bank	Bank Charges-SMS Alerts	30
				29.09.2020	GST	Arrears	8,752
				29.09.2020	GST	Arrears	14,208
				19.10.2020	Sheela V & Associates	Professional Charges - GST Annual Return	12,500
				21.10.2020	Income Tax	Arrears	26,048
				27.12.2020	Canara Bank	Bank Charges - SMS Alerts	30
				28.01.2021	GST	Arrears	47,386
				12.03.2021	Income Tax	Advance Tax	2,38,300
				27.03.2021	Canara Bank	Bank Charges - SMS Alert	30
				30.03.2021	Canara Bank	Bank Charges-NEFT	6

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				17.04.2021	JB Santharam & Co	Audit Fees	29,500
				17.04.2021	Canara Bank	Bank Charges - NEFT	6
				17.04.2021	Joby Chacko	Liquidator Fees	50,000
				17.04.2021	Canara Bank	Bank Charges-NEFT	6
				19.04.2021	Joby Chacko	Liquidator Fees	50,000
				19.04.2021	Canara Bank	Bank Charges - NEFT	6
				19.04.2021	Nirmal Saravana Murthy	Share Capital	3,80,000
				19.04.2021	Canara Bank	Bank Charges - NEFT	29
				19.04.2021	Saravana Murthy	Share Capital	1,20,000
				19.04.2021	Canara Bank	Bank Charges - NEFT	17
				19.04.2021	Nirmal Saravana Murthy	Distribution of accumulated profit	1,22,91,161
				19.04.2021	Canara Bank	Bank Charges - RTGS	58
				19.04.2021	Saravana Murthy	Distribution of accumulated profit	38,80,000
				19.04.2021	Canara Bank	Bank Charges - NEFT	29
				21.04.2021	Canara Bank	Bank Charges - Closure A/c	443
				21.04.2021	Canara Bank	Bank Charges - SMS Alert	30
				21.04.2021	Canara Bank	Bank Charges	813.28
Total Receipt			21819839.28	Total Payment			2,18,19,839.28

- *"The asset of the corporate person have been disposed of and in the process of liquidation. I have distributed the immovable properties of the Company in species along with the liability towards the security deposit in relation with the continuing lease of property among the shareholders in proportion to their shareholding vide Registered document vide registration number CMP-1-01650-2020-21 stored in CD CMPD 608 in the office of Sub Registrar Basavanagudi (Chamarajpete) dated 13.08.2020*
- *Further, upon payment of all the outstanding of the company, an additional amount of Rs.1,61,71,161/- was available excess of capital, I had thus declared the*

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dividend to the Shareholders on 16.04.2021. Further, in conclusion of the liquidation proceedings, have returned the Share capital of the Company to the respective shareholders." The details of the payments made to the shareholders are as follows:

Sl. No.	Shareholders	Return of Capital	Amount in excess of capital considered as Dividend, distributed to the Shareholders	Total disbursement
1.	Mrs. Nirmala Saravana Murthy	3,80,000	1,22,91,161	1,26,71,161
2.	Mr. Saravana Murthy	1,20,000	38,80,000	40,00,000
Total		5,00,000	1,61,71,161	1,66,71,161

(12) It is further stated that the necessary books as required under the Regulations to be maintained by the Liquidator have been maintained by the Applicant.With the completion of above steps, the affairs of the Company have been completely wound up as contemplated in Section 59(7) of the Code. The Liquidator prepared the final report as required under the Regulations 38 with details of receipts and payment pertaining to the liquidation since the liquidation commencement date. The Liquidator states that the liquidation process of the Corporate Person was completed within 12 months hence the provisions of Regulation 37 of the Regulations relating to holding of meeting of Contributories doesnot arise. Since no proceeds were distributed to the stakeholders and since there were no undistributed assets or any other balance payable to the stakeholders in the hands of the Liquidator, the provisions of Regulation 39 of the Regulations do not apply, and accordingly no separate Application was made to before the Tribunal for this purpose. As required under Regulation 38(2), the copy of final report has been filed with RoC in Form GNL -2 vide SRN T22134878 on 09.06.2021 and with IBBI by email on 09.06.2021.

3. HeardShri Saji P. John, learned Counsel for the Liquidator/Applicant.We have carefully perused the pleadings of the party and extant provisions of the Code, and Rules made thereunder.

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4. As stated supra, as proposed by the Members of the Company at their Annual General Meeting held on 10.06.2020passed a Special Resolution approving for the voluntary liquidation of the Company. In pursuance to the said Special Resolution, the Liquidator has complied with all the conditions and procedural requirements as specified under various provisions of Section 59 of the Insolvency and Bankruptcy Code, 2016. We are convinced that the Applicant Company has followed due process of law before filing the instant Application/Petition and nothing remains to be liquidated. Thus, the Petition/Application deserves to be allowed as prayed for.

5. In the result, by exercising the powers conferred on the Adjudicating Authority, under Section 59(8) of the Code, C.P.(IB)No.56/BB/2021 is hereby disposed of with the following directions:
   (1) The Corporate Person/Company, viz.,M/s. Kumaran Hi-Tech Private Limited, is hereby dissolved, with immediate effect;
   (2) The Registry is directed to forward a copy of this Order to the Registrar of Companies, Karnataka, Bengaluru, within a period of two weeks from today;
   (3) The Liquidator is also directed to forward copy of this Order to all other Statutory Authorities connected with the affairs of the Company;
   (4) This order would not absolve personal liability/guarantees, if any, given by the Director(s)/Promoter(s) of the Company to any other third party/parties.

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(BHASKARA PANTULA MOHAN)
ACTING PRESIDENT

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(HEMANT KUMAR SARANGI)
MEMBER, TECHNICAL

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OF THE ORIGINAL

for Deputy/~~Asst.~~ Registrar
National Company Law Tribunal
Bangaluru Bench

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