



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

CP(IBC)/16/KOB/2023

(Under Section 59 of the IBC, 2016)

In the matter of:

Malabar Organics Ltd.

Memo of Parties:

MALABAR ORGANICS LTD,

(CIN: U24119KL1986PLC004576),

13/334, Hill Bazar, Moodadi North
Koyilandy Kerala 673325,

Represented by CS L Sarumathy,
Liquidator, Reg No. IBBI/IPA-

002/IP-N01093/2021-2022/13642,

Harishree, 22/143-C, Thiruvannur
Nada, Kozhikode, Kerala ,673029

... Petitioner

Order delivered on: 20.10.2023

Coram:

Hon'ble Member (Judicial) : Shri. H V Subba Rao

Hon'ble Member (Technical) : Shri. Shyam Babu Gautam


Appearances:

For the Petitioner : CS L Sarumathy, Liquidator.

ORDER


Per: Shyam Babu Gautam, Member (Technical)

1. This is a Company Petition filed under Section 59 of the Insolvency & Bankruptcy Code, 2016 in the matter of Malabar Organics Ltd through the Liquidator, CS L Sarumathy for dissolution of the




Corporate Person through voluntary liquidation. The Corporate Person has completed the requisite formalities and procedure for liquidation in compliance with the extant Rules and Regulations and has filed this petition.

2. In the petition, it is stated that the Corporate Person was incorporated on 16th October, 1986, with its Registered Office at 13/334, Hill Bazar, Moodadi North Koyilandy Kerala 673325. The main objects of the Company are *'To carry on business of manufacture of and dealers in pharmaceuticals, medicals, chemical preparation and compounds, drugs and formulations.'*
3. The Petitioner states that the company is not carrying on any business for past 20 years and not earning profits except income from Fixed Deposits and that the Board after considering the matter was of opinion that due to non-availability of business prospect and long-term financial resources, it was financially unviable to carry on the business of the company. Therefore, the Board of Directors in their meeting held on 18.02.2023 approved the proposal for voluntary liquidation of the Company under Section 59 of IBC, 2016 subject to the approval of the members of the Company.
4. As required under the provisions of Section 59 of IBC, 2016, all the directors of the Company had made a Declaration of Solvency on 28.02.2023, under provisions of Section 59(3) (a) & (b) of IBC, 2016. The declaration by all the Directors along with audited financial statements of the Company for the previous two years



along and record of business operations for past two years were filed with the Registrar of Companies, Kerala in Form GNL-2 SRN: AA1988170.

5. The members of the Company/Corporate Person, in its Extra-Ordinary General Meeting held on 17.03.2023 passed a Special Resolution under Section 59 of the Insolvency and Bankruptcy Code, 2016 to liquidate the Company voluntarily and appointed CS L Sarumathy, an Insolvency Professional having IBBI Registration No. IBBI/IPA-002/IP-N01093/2021-2022/13642, as the Voluntary Liquidator of Malabar Organics Ltd.
6. The commencement of liquidation and appointment of the Liquidator was intimated to the Income Tax Department on 25.03.2023. The liquidator further states that as per IBBI Circular No. IBBI/LIQ/45/2021 dated 15.11.2021 obtaining NOC from Income Tax Department is exempted and hence the same is not submitted. The commencement of liquidation and appointment of the liquidator along with notice of Public Announcement were intimated to the ROC, Kerala in Form MGT-14 and GNL-2.
7. The Liquidator made a Public Announcement in Form A in two newspapers viz; The Hindu (English) and Mathrubhumi (Malayalam) both dated 21.03.2023 seeking submission of the claim by the stakeholders, if any, within 30 days from the date of commencement of liquidation. The public announcement was simultaneously submitted to the Insolvency and Bankruptcy Board



of India (IBBI) to place the same on its website and on 20.03.2023 the same was published in the IBBI website on 16.05.2023.

8. The Liquidator opened a Bank account (current account) with Union Bank of India, Kozhikode, in the name and style “Malabar Organics Ltd in Voluntary Liquidation” as required under Regulation 34 of the IBBI (Voluntary Liquidation Process) Regulation, 2017 for the distribution of liabilities of the Company. In accordance with Regulation 9 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, the Liquidator submitted the Preliminary Report to the Company on 25.04.2023.
9. The liquidator had received claims from operational creditors of the company on 06.04.2023 and 16.04.2023. After due verification, the liquidator made payments to Mr. A Vijayan a sum of Rs. 5,50,000/- and to Finalyse Consultants Private Limited, a sum of Rs. 1,50,000/- being creditors of the company.
10. The liquidator states that as there were no other claims other than liquidation expenses and payments to operational creditors, the remaining amount of Rs. 18,63,890.35/- was divided among the existing 963 shareholders of the company as per their shareholding proportion. From this amount an amount of Rs.4,31,835/- was paid to 45 members who submitted duly filled claim forms and remaining amount of Rs.14,40,677/- was transferred to IBBI Corporate Voluntary liquidation account on 14.06.2023, and the same was communicated to IBBI along with



list of eligible shareholders for claim in Form G on 19.06.2023, as per IBBI Circular No. IBBI/VL/028/2020 dated 20.02.2023.

11. The Liquidator had submitted the Final Report along with the audited accounts of liquidation, showing receipts and payments pertaining to liquidation since the liquidation commencement date, prepared in accordance with Regulation 38 with the Registrar of Companies, Kerala in e-Form GNL-2 and to IBBI via email and registered post. Subsequent to the payment to the members of the Company, the Liquidator has closed the liquidation account on 16.06.2023 and has produced the certificate from bank for closure of the account.
12. As per Section 59(7) of the Insolvency and Bankruptcy Code, 2016, the liquidator shall make an application to this Tribunal for the dissolution of the Corporate Person when the affairs of the Corporate Person have been completely wound up and its assets have been completely liquidated. Hence, this Company Petition has been filed seeking dissolution of the Company.
13. On 27.07.2023, this Adjudicating Authority directed the Petitioner to file an affidavit with regard to current liabilities appearing in balance sheet of CD as well as the requirement of valuation report and observations of jurisdictional Income Tax Department which the petitioner complied on 11.08.2023. The liquidator clarified that the current liabilities were duly paid or set off from any deposits made by the company and the same has also been verified by the liquidation account certifying Auditor. As regards to



valuation the same was not applicable as there was no fixed assets to be valued with the Company other than cash and cash equivalents as on liquidation commencement date. The liquidator has also informed the reply of the Income Tax Department on 18.07.2023 that no liability exists in relation to the company from its records. Further on 24.08.2023, the Tribunal sought for observation of ROC, Kerala who filed their report on 13.10.2023 and stated that as per the latest Annual Return filed for the financial year ended 31.03.2022, the net worth of the company is 33,70,072/- and the turnover of the company is 0. The company has filed its statutory returns Viz. Annual Returns and Balance Sheets/Financial Statements upto the financial year ended 31.03.2022 and further state that the company has complied with the statutory provisions under law.

14. We have heard the arguments of the learned Liquidator and perused the entire case records/documents. We have also gone through the evidence on record. On verification of the documents produced, we have noticed that the affairs of the Corporate Person have been completely wound up and its assets were liquidated following the relevant provisions in the IBBI (Voluntary Liquidation Process), 2017. Hence, we are of the considered opinion that the Corporate Person may be voluntarily liquidated so as to get it dissolved.

15. For the aforesaid discussions, this Tribunal approves the voluntary liquidation and dissolution of the Corporate Person and orders



that the Corporate Person shall stand dissolved from the date of this order. The Liquidator is directed to file a copy of this order with the Registrar of Companies, Kerala, and also the Insolvency and Bankruptcy Board of India within fourteen days from the date of this order in compliance of Section 59 (7) to (9) of the Insolvency and Bankruptcy Code, 2016.

16. The Liquidator is further directed to strictly comply with the Regulation 41 IBBI (Voluntary Liquidation Process) Regulations, 2017 with regard to preservation of records in respect of voluntary liquidation of the corporate person.
17. Accordingly, this **CP(IBC)/16/KOB/2023** is allowed and disposed of.
18. The Registry is directed to send e-mail copies of the order forthwith to all the parties inclusive of the Counsel.
19. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.
20. File be consigned to records.

Sd/-
SHYAM BABU GAUTAM
(MEMBER TECHNICAL)

Sd/-
H V SUBBA RAO
(MEMBER JUDICIAL)

Signed on this, the 20th day of October, 2023.

Rohit