

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH,
HYDERABAD**

CP (IB) No.74/59/HDB/2019

U/s. 59 of the IB Code, 2016 read with the
IBBI (Voluntary Liquidation Process) Regulations, 2017

In the matter of Guntur Tobacco Limited

Guntur Tobacco Limited
Having its registered office at
D.No. 10-2-9, 2nd Lane,
Sambasivapeta, Guntur,
Andhra Pradesh - 522001.

... Petitioner/Corporate Person

Date Pronouncement of Order: 27.06.2019

Counsels/Parties present:

For Petitioner: Smt. Padmasri Appana, Liquidator of the
Petitioner/Corporate person.

Per: K. Anantha Padmanabha Swamy, Member-Judicial

ORDER



1. Under consideration is a Company Petition filed by Smt. Padmasri Appana, Voluntary Liquidator of M/s Guntur Tobacco Limited (the Company under voluntary liquidation) filed this petition for dissolution of the Corporate Person under Section 59 of the Insolvency and Bankruptcy Code, 2016 (herein after referred to as the IB Code, 2016) read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) for dissolution of the Corporate Person.

2. The brief of the averments made in the application by the Voluntary Liquidator are as follows:

- a) The Company under voluntary liquidation was registered under the Companies Act, 1956 a Public Company limited by shares in the State of Andhra Pradesh and it is having its registered office at D.No.10-2-9, 2nd Lane, Sambasiva Peta, Guntur, Andhra Pradesh – 522001.
- b) The authorised capital of the Company under voluntary liquidation is Rs.10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 equity shares of Rs. 10/- each and the paid up capital of the Company is Rs.5,72,612/- (Rupees Five Lakhs Seventy Two Thousand Six Hundred and Twelve only) divided into 57,161.2 equity shares of Rs.10/- each fully paid up.
- c) The Company under voluntary liquidation was incorporated to carry on the business of manufacturers of and dealers in tobacco, cigars, cigarettes, beedies, match-lights, pipes and any other articles required by or which may be convenient to smokers, and of snuff grinders and merchants and box merchants and to deal in any other articles and things commonly dealt in by tobacconists, etc. Software development and Customization, package Development and customization, networking, information technology enabled services, internet related business, system analysis and etc. The Petitioner Company is doing tobacco business in small volumes for the last many years and stopped the same from the last 3 years and due to non-availability of business prospect and long term financial resources it was not financial viable to carry on the business activities of the Company and proposed to close down the company by way of voluntary liquidation. The Board of Directors of the company under voluntary liquidation passed a resolution on 16.10.2017 for the voluntary wind up of the



company under the provisions of section 59 of the IB Code, 2016.

d) Ms. Maddi Seetha Devi and Mr. Maddi Venkteswara Rao, being majority of Directors, made a declaration of solvency on 16.09.2017 and other Director Mr. Venkata Subramanya Ravi Vadlamani has also given his acceptance to the proposal of winding up on 26.09.2017 as per the provisions of Section 59 of the IB Code, 2016. The Declaration along with audited financial statement as record of business operations of the Company for the previous two years were filed with ROC, Andhra Pradesh in Form GNL-2 vide SRN G572797545 and the same was approved by the ROC.

e) The members of the Company in their Extra-Ordinary General Meeting held on 16.10.2017 passed a special resolution required under Section 59 of the IB Code read with the IBBI (Voluntary Liquidation process) Regulations, 2017 to liquidate the Company voluntarily and appointed Mrs. Padmasri Appana, an Insolvency Professional, having IP Registration No. IBBI/IPA-002/IP-N002201/2017-18/10672 to act as liquidator of the Company.



f) The liquidator made public announcement for commencement of liquidation in form A, in Indian Express (English) and Andhra Jyothi (Telugu) on 17.10.2017, seeking submissions of the claim by the stakeholders, if any, within 30 days from the date of commencement of liquidation i.e. 16.10.2017. The public announcement was simultaneously submitted to the IBBI on 23.10.2017 to place the same on its website and the same was published on IBBI Website.

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- g) The commencement of liquidation, appointment of liquidator and the public announcement made in newspapers was also submitted to the Registrar of Companies, Hyderabad in Form MGT-14 and Form GNL-2 and the same were approved and taken on record by ROC.
- h) The Company confirm that the Liquidator opened a Bank account in the name of "Guntur Tobacco Limited in Voluntary Liquidation" with Indian Overseas Bank, Guntur for realisation and payment to the creditors and members. The Liquidator had not received any claims from the financial creditors.
- i) The voluntary liquidator has also filed the preliminary report to the company on 03.11.2017 as required under Regulation 9 of the Regulations.
- j) As per provisions of Section 178 of the Income Tax Act, 1961, the liquidator intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authorities on 18.10.2017 and obtained "No Objection Certificate" on 05.01.2018 from the Income Tax authorities.
- k) The Liquidator has made a payment of an advance tax of Rs.11,700/- and dividend distribution tax (DDT) and interest on DDT amounting to Rs.4,97,955/-. Post payment of the advance tax and DDT, the accumulated profit to be distributed to the members amounts to Rs.19,28,790/- and investment in share capital amounts to Rs.5,68,970/-. Out of this Rs.5,47,610/- were paid to the members of the Company and remaining amount of Rs.21,360/- investment in share capital and accumulated profit



amounting to Rs.72,142/-. The total amount of Rs.93,502/- was not claimed by the shareholders and to that extent the amount was lying in the liquidation account and now seeking for a direction to transfer the unclaimed amount to "Companies Liquidation Account in the Public Account of India" and on such transfer the assets of the Company will be fully liquidated.

- l) The Auditors Certificate on the liquidation, showing receipts and payments pertaining to liquidation since the liquidation commencement date is enclosed with the petition.
 - m) The Liquidator has also prepared and submitted the final report dated 14.01.2009, in respect of realization and disbursement to the contributories to the Insolvency and Bankruptcy Board of India by email on 16.01.2019 and the Registrar of Companies (ROC) on 16.01.2019.
3. The liquidator while reiterating the above facts prayed this Adjudicating Authority to pass an order to dissolve the company.



4. Heard, Smt. Padmasri Appana, Liquidator of the Company.
5. The Registrar of Companies, Andhra Pradesh vide his Report dated 26.03.2019 while reiterating the averments made in the petition submitted that the Special Resolution passed on 16.10.2017 at EGM of the Company and MGT-14 vide SRN G572734920 on 21.10.2017 and the same were taken on record. Further, the Declaration of solvency filed by all the present director in GNL 2 vide SRN G57279754 and the final report of Liquidator filed along with accounts vide SRN H42107235 were also taken on record by the ROC. The Company has filed Balance Sheet as on 31.03.2017 and the Annual Return made upto 31.03.2017.

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6. The Petition is filed by the Liquidator under Section 59 of the IB Code, 2016. This Adjudicating Authority has to see whether the liquidator has complied with all the provisions of Section 59 of the IB Code, 2016 read with Regulation 3 of the Regulations before initiating voluntary liquidation of the company.
7. It is on record that the board of directors have passed necessary resolution on 16.09.2017 to liquidate the company voluntarily and the directors have also executed the Declaration of Solvency dated 16.09.2017 by way of an affidavit in terms of provisions of Section 59(3)(a) of the IB Code, 2016.
8. The Company has issued notice to all the shareholders and an Extraordinary General Meeting was also held on 16.10.2017 in which the approval for liquidating the company was also given. The Company has also filed MGT 14 informing the special resolution passed by the members to the ROC.
9. It was also informed to the Adjudicating Authority that the Company under voluntary liquidation has no creditors as on date of filing of the Petition.
10. The liquidator in compliance with the Regulations had also published public announcement in Form-A one in Indian Express (English) and other in Andhra Jyothi (Telugu) and the copies of such public announcement are also placed on record.
11. All the above facts would show that the voluntary liquidator has complied with the requirement of the provisions of section 59 of the IB Code, 2016 and filed this Petition under section 59(7) of the IB



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Code, 2016 to dissolve the Petitioner/Corporate Person viz., Guntur Tobacco Limited.

12. Taking into consideration the above facts, report of ROC and also the compliance with all the requirement of the provisions of the Code and Regulations by the Liquidator, M/s Guntur Tobacco Limited is ordered to be dissolved as envisaged under Section 59 of the Code with effect from the date of this Order. It is also directed the Company to transfer the unclaimed amount lying in the Bank Account should be transferred to "the Companies Liquidation Account in the Public Account of India".
13. With the above observations the petition i.e. CP(IB)No.74/59/HDB/2019 is disposed of and the voluntary liquidator is directed to file the copy of the order with the ROC concerned within 14 days from the date of receipt of copy of this Order.



K. ANANTHA PADMANABHA SWAMY
MEMBER JUDICIAL

Dy. Regr./Asst. Regr./Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER (P/IB) No. 74/59/HDB/2019
निर्णय का तारीख
DATE OF JUDGEMENT 27/6/19
प्रति तैयार किया गया तारीख
COPY MADE READY ON 1/7/19