

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH – I, CHENNAI

CP(IB)/171(CHE)/2022

(Filed under Sec. 59(7) of the Insolvency and Bankruptcy Code, 2016)

In the matter of *Afchem Distribution Private Limited*

Bhagyalakshmi B R,
Liquidator of Afchem Distribution Private Limited
(Under Voluntary Liquidation)
CIN: U51909TN2017FTC116398
BBC City Paark,
Flat No.44, Block 1, Phase 1, Anna Salai,
Chinna Porur, Chennai – 600 116

... Liquidator / Applicant

Present:

For Applicant : T. Sundaranathan, Advocate

CORAM:

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

Order Pronounced on 12th June 2023

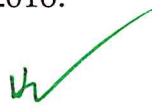

ORDER

Per: SANJIV JAIN, MEMBER (JUDICIAL)

This is a Company Application filed by the Liquidator in relation to the voluntary liquidation of *Afchem Distribution Private Limited* having CIN: U51909TN2017FTC116398, under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking dissolution of the Company.

2. The Applicant Company was incorporated on 02.05.2017 under the provisions of the Companies Act, 2013. The main object of the Company was to buy, sell, import, trade or otherwise deal or manufacture, produce, refine, process, formulate in all type of heavy and light chemicals, chemical elements and compounds, etc. The details of the main objects are set out in the Memorandum of Association which is filed along with the typed set.

3. It is submitted that the Applicant Company has not been carrying on any business for the preceding two years and not earning any profits except income from investments. The Board of Directors of the Company has considered the matter and was of the opinion that due to non – availability of business prospect and long terms financial resources, it is not financially viable to carry on the business activities of the Company and proposed to close down the Company by way of voluntary liquidation. Hence, the Board of Directors in their meeting held on 20.07.2021 passed a proposal to liquidate the Company voluntarily as per the provisions contained under Section 59 of the Insolvency and Bankruptcy Code, 2016.



4. It is submitted that in the Annual General Meeting of the Shareholders of the Company which was held on 23.07.2021 it was resolved to appoint the Applicant herein to act as a liquidator for conducting voluntary liquidation process in relation to the Company under Section 59 of IBC, 2016.

5. It is submitted that the Applicant herein has conducted the Voluntary Liquidation process in respect of the Company in Liquidator in accordance with the IBBI (Voluntary Liquidation Process) Regulations, 2017. The details of the relevant compliances as mandated under Section 59 of the IBC, 2016 read with the IBBI (Voluntary Liquidation Process) Regulations, 2017 are listed hereunder:-

S. No	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Sec. 59(3)(a)	Declaration by way of an Affidavit from majority of the Directors	Annexure – B4, Pg. No.53
2	Sec. 59 (3)(b)(i)	Audited Financial statements and record of business operations for the previous two years	Annexure – B2 and B3 Pg. No. 53
3	Sec. 59 (3)(b)(ii)	Valuation Report	Since there is no immovable / movable assets, no valuation has been conducted
4	Sec. 59 (3)(c)(i)	Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a)	Annexure – D1 Pg. No.98

5	Proviso to Sec.59(3)(c)	Approval of Resolution passed under Section 59(3)(c) by Creditors (2/3 rd in value), if any within 7 days from the date of Resolution	Annexure – E Pg. no. 103
6	Sec.59(4)	Intimation to RoC & IBBI within 7 days from the date of Resolution under Section 59(3)(c) or after approval of Creditors	Annexure – F Pg. No. 108 & 109
7	Regulation 14	Form A Public Announcement within 6 days from the date of appointment	Annexure – F1, F2 and F3 Pg. No. 104
8	Regulation 30	List of Stakeholders in case of Claims under Chapter V of the Regulations	There are two creditors of the Company and the list has been given in the Application at para 13.
9	Regulation 9	Preliminary Report along with the proof of submissions of the same to the Company within 45 days from LCD	Annexure – H, Pg. No.123
10	Regulation 34	Opening of Bank Account in the name of the Company – HDFC Bank and Proof of Clause of the above bank account.	Annexure – P Pg. No.150
11	Regulation 35	Proof of Distribution within 6 months from the receipt of realization	Annexure – M Pg. No.138
12	Regulation 38	Final Report along with proof of submission of the same to RoC and IBBI	Annexure – N Pg. No. 145
13	Regulation 37	Completion of Liquidation process within twelve months from LCD	Annexure – M Pg. No.138
14	Regulation 37	Annual Status Report	Annexure – M Pg. No.138
15	Section 178 of IT Act, 1961	Intimation to the IT Department and request for NOC	Annexure – J Pg. No. 126
16	Reg 38	Form-H – Compliance certificate dated 08.07.2022	140 – 144



6. It is submitted that the Liquidator has not received any claims from the Financial Creditor. Based on the verification of books and claims received from the creditors of the Company, the liquidator made payments to the creditors in the following manner:

S. NO.	NAME OF THE CREDITOR	AMOUNT IN (₹)
1	Sri Raghav	10,000/-
2	Statutory Dues	1,10,740/-

7. It was submitted that post payment of the aforesaid amount to the Operational Creditors there is no amount left to distribute to the Members of the Company and the only asset bank account of the Company was fully liquidated. The Amount Realized and the amount Distributed by the Applicant in the voluntary liquidation process is as under;

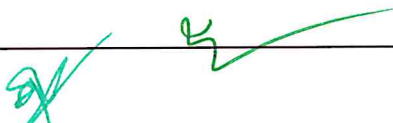
REALIZATION

S. NO.	PARTICULARS	AMOUNT (₹)
(1)	(2)	(3)
1	Sale of Assets	Nil
2	Refund from Statutory Authorities	74,540/-
3	Cash / Bank Balance	3,09,777/-
4	Realization of uncalled / unpaid capital contribution	Nil
5	Distribution of unsold asset	Nil
6	Any other (please specify)	Nil
	TOTAL	3,84,317/-

DISTRIBUTION

S. No	STAKEHOLDERS UNDER SEC.52 AND 53(1)	AMOUNT CLAIMED	AMOUNT ADMITTED	AMOUNT DISTRIBUTED	AMOUNT DISTRIBUTED TO AMOUNT CLAIMED (%)	REMARKS
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest					
2	Liquidation Cost [Sec.53(1)(a)]	2,63,577.47	2,63,577.47	2,63,577.47	100	Liquidation Cost
3	Workmen's Dues [Sec.53(1)(b)(ii)]	0	0	0	0	N/A
4	Debts of secured Creditors	0	0	0	0	N/A
5	Wages and Unpaid Dues to Employees [Sec.53(1)(c)]	0	0	0	0	N/A
6	Debts of Unsecured Financial Creditors [Sec.53(1)(d)]	0	0	0	0	N/A
7	Government Dues + Amount unpaid following Enforcement of Security Interest [Sec53(1)(e)]	1,10,740	1,10,740	1,10,740	100	TDS and Income Tax Dues
8	Any Remaining Debts and Dues [Sec53(1)(f)]	10,000	10,000	10,000	100	Audit Fees
9	Preference Shareholders [Sec.53(1)(g)]	0	0	0	0	N/A
10	Equity Shareholders [Sec.53(1)(h)]	0	0	0	0	N/A
	TOTAL	3,84,317.47	3,84,317.47	3,84,317.47	100	

8. We have heard the Counsel for the Applicant / Liquidator and perused the record. On examining the submissions made by the Learned Counsel for the Applicant and perusing the documents annexed to the Application, we find 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 Applicant 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 **Afchem Distribution Private Limited**. The Applicant Company shall stand dissolved from the date of this order. The Company Petition stands **allowed**.

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

— Sd —

SAMEER KAKAR
MEMBER (TECHNICAL)

— Sd —

SANJIV JAIN
MEMBER (JUDICIAL)

Order pronounced under Rule 151 of NCLT Rules 2016, by Hon'ble Technical Member Sameer Kakar on behalf of the Bench Comprising of Sanjiv Jain, Member (Judicial) and Sameer Kakar, Member (Technical)

[Signature]
court officer,