

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(through web-based video conferencing platform)

C.P. (IB) No. 13/BB/2023
U/s 59(7) of the IBC, 2016

In the matter of:

Mr. Joby Chacko

Liquidator of Digital First Online Brands Pvt. Ltd.

No.303, Palms Square, Brigade Road,

Bangalore - 560 025.

- Applicant

Order delivered on: 24.08.2023

CORAM: 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Parties/Counsels Present:

For the Liquidator/Petitioner : Shri Saji P. John

ORDER

Per: T. Krishnavalli, Member (Judicial)

1. The instant Company Petition is filed on 22.12.2022 by Mr. Joby Chacko, Liquidator of Digital First Online Brands Pvt. Ltd. under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 by *inter alia* seeking a direction for dissolution of the Corporate Person/ the Company, namely, Digital First Online Brands Private Limited with effect from the date of order by this Adjudicating Authority.
2. **Digital First Online Brands Pvt. Ltd.** (hereinafter referred to as 'Corporate Person/the Company') is a Company incorporated on 16.02.2017 under the provisions of the Companies Act, 2013 under the name and style of 'Hindveda Private Limited'. The name of the Company has been changed to the present name i.e. 'Digital First Online Brands Pvt. Ltd.' on 29.12.2020. Its Authorized

Capital is Rs.1,60,00,000/- (Rupees One Crore Sixty Lakh Only) divided into 16,00,000 equity shares of Rs.10/- (Rupees Ten Only) each and its Issued, Subscribed and Paid-up capital is Rs.49,60,050/- (Rupees Forty-Nine Lakh Sixty Thousand and Fifty Only) divided into 4,96,005 equity shares of Rs.10/- (Rupees Ten Only) each. The main objects of the Company as per its Memorandum of Association is to engage in all type of business related to wholesale cash & carry trading of any and all types of and varieties of Cosmetics, non-prescribed drugs, health care products, Ayurvedic and dietary supplement products etc.

3. The following averments have been made in the Petition:
 - i. It is stated that the Company convened a meeting of Board of Directors on 07.01.2022 wherein the Board of Directors approved the **Declaration of Solvency** as stipulated under Section 59(3) of the Code which was later duly signed and verified by affirmation. The Directors of the Company in compliance of Section 59(3) of the Code, r/w Regulation 3(4) of the IBBI (Voluntary Liquidation Process) Regulations, 2017 have given declarations. Further, the Directors have declared that they have made full inquiry into the affairs of the Company and have formed the opinion that this Company has no debts or if claimed during the liquidation process, it will be able to pay its debts in full form the proceeds of assets to be sold in the voluntary liquidation and the Company is not being liquidated to defraud any person and the Company has not committed any default. The Company duly filed the declaration signed by the Board of Directors of the Company with ROC in compliance of Section 59(3) of the Code in Form GNL-2 on 10.01.2022.
 - ii. The Company held an Extra-Ordinary General Meeting on 10.01.2022 and passed a **Resolution to voluntarily liquidate the Company** and appoint Mr. Joby Chacko, Insolvency Professional, having registration number IBBI/IPA-001/IP-P01372/2018-2019/12300 to act as a Liquidator for the same.

- iii. It is also stated that the intimation regarding commencement of Voluntary Liquidation Process was given to IBBI for their information and perusal. The publication of Public announcement was also duly notified to the IBBI for publication on the website.
- iv. The audited Financial Statements of the Company for the year ended 31.03.2020 and 31.03.2021 (page nos.45-89 of the Petition) along with the Auditor's Report has been filed by the Petitioner.
- v. The commencement of Liquidation and appointment of Liquidator was intimated to the ROC in form MGT-14 and GNL-2 on 13.01.2022 and 10.01.2022 (for submission of documents).
- vi. **Public Announcement (Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator made a Public Announcement of commencement of Liquidation in Form A, in "Business Standard", English Newspaper and "Sanjevani", Kannada Newspaper on 12.01.2022 seeking submission of the claim by Stakeholders on or before 09th February, 2022.
- vii. **List of stakeholders (Regulation 30 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The last date of submission of claims, if any was 09th February 2022. No claims were received from any creditors other than shareholders. The same has been verified and list of stakeholders has been prepared on 07th March 2022.
- viii. **Preliminary Report, (Regulation 8 (1) of Chapter IV of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator submitted the preliminary report to the Company on 23rd February 2022.
- ix. **Opening of Bank Account (Regulation 34 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Bank account was opened with HDFC Bank and the said account was closed on 06th December 2022.

- x. There is no requirement of NOC from Income Tax and the said it is not applicable by virtue of IBBI circular dated 15th November 2021. The same was clarified in the Compliance Memo filed on 24.01.2023.
- xi. **Final Report - (Regulations 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017)** - The Liquidator had the accounts audited for the liquidation period and submitted his final report on 19.12.2022. In connection with the accounts of the liquidation, the Certificate showing receipts and payments pertaining to liquidation since the liquidation commencement date i.e. 10.01.2022 till 06.12.2022 is as follows:

RECEIPTS		
Particulars		Amount (in Rs.)
Opening Balance of Liquidation Account		1,52,49,316
Refund of Deposit		3,000
Income Tax Refund Received		22,29,510
	Total	1,74,81,826
PAYMENTS		
Particulars		Amount
Legal, Liquidation Fee and other incidental payments		
1. Publication Expenses		13,696
2. Liquidator's Fee		10,00,000
3. Consultation and Legal Fee		5,00,000
4. Integrated Registry Management services		29,500
5. Audit Expenses		25,000
Payment to members in proportion to their holding		
1. Vivayogi Private Limited		1,59,12,428
2. Mr. Aravind Sokke Umapathi		1,202
	Total	1,74,81,826

- xii. The final report of the Liquidating Company was submitted with the ROC and IBBI on 20.12.2022.
4. Heard the learned Counsel for the Applicant. We have carefully perused the pleadings of the party and extant provisions of the Code, and the Regulations made thereunder.
5. The Adjudicating Authority *vide* order dated 20.02.2023 directed the Liquidator as under:

"The Petitioner is directed to file provisional financial statements from 01.04.2021 till 09.01.2022 i.e. the date prior to liquidation commencement date, and clarify whether the claims received in response to public announcements has been settled or not."

6. In compliance to the above, the Liquidator has filed the requisite documents, namely, provisional financial statements from 31.03.2021 till 09.01.2022, vide diary no.1815 dated 29.03.2023 and the same is on record. Regarding the claims, the Liquidator has filed an affidavit dated 02.06.2023 by inter alia stating that the Liquidator received claim form the Shareholders of the Company only. The Liquidator settled the claims of the Shareholders by distributing the available balance in the liquidation bank account after paying the liquidation cost. It is further stated that there are no claims pending for settlement in the Petitioner Company.
7. According to the above discussion, the affairs of the Corporate Person have been completely wound up and its assets have been liquidated and nothing remains to be liquidated. Thus, the compliances of Section 59 and other relevant provisions of the IBC, 2016 r/w. Regulation 37(2) of IBBI (Voluntary Liquidation Process) Regulations, 2017, from the date of commencement of the liquidation proceedings is completed. Hence, we are of the considered opinion that the corporate person, through its Liquidator, has been voluntarily liquidated.
8. In view of the foregoing **Digital First Online Brands Pvt. Ltd.**, Applicant Company is hereby dissolved with effect from the date of the present order. A copy of this order be filed with the ROC within the fourteen days.
9. The Petition **C.P. (IB) No.13/BB/2023** is accordingly allowed in the above terms.

Sd/-
(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)

Sd/-
(T. KRISHNAVALLI)
MEMBER (JUDICIAL)