

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - I

ITEM No.303
C.P.(IB)/221(AHM)2023

Order under Section 59 IBC

IN THE MATTER OF:

Pinakin Shah Liquidator of Saffron Nonwoven Pvt Ltd

.....Applicant

.....Respondent

Order delivered on 07/03/2024

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for pronouncement of order. The order is pronounced in the open Court, vide separate sheet.

-SD-

SAMEER KAKAR
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH -I, AHMEDABAD**

CP(IB)/221(AHM)/2023

[Application under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with the Regulation 38(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 for dissolution of the Corporate Person]

In the matter of **Saffron Nonwoven Private Limited**

Pinakin Shah

Liquidator of **Saffron Nonwoven Private Limited**

(Under Voluntary Liquidation)

Having its registered office at

Plot No. 17, Sopan Kesar, Industrial Hub,

NH 8A, Nr. Railway Crossing,

Village: Moraiya, Taluka: Sanand

Gujarat-382110

... Liquidator / Applicant

Order Pronounced on 07.03.2024

CORAM:

Mr. SHAMMI KHAN, MEMBER (JUDICIAL)

Mr. SAMEER KAKAR, MEMBER (TECHNICAL)

Appearance:

For Applicant : Ishan Shah, Advocate

ORDER

1. This is a Company Petition filed by the Liquidator **Mr. Pinakin Shah** in relation to the voluntary liquidation of **Saffron Nonwoven Private Limited** with CIN: U18101GJ2011PTC066644, under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC, 2016”) read with Regulation 38 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (“IBBI Regulations”) seeking dissolution of the Company.

2. The Applicant Company was incorporated as a private limited company on 05.08.2011 under the provisions of the Companies Act, 1956 having its registered office at Plot No. 17, Sopan Kesar, Industrial Hub, NH -8A, Nr. Railway Crossing, Vill. Moraiya, Tal. Sanand, Moraiya, Gujarat-382110 within the territorial jurisdiction of Registrar of Companies, Ahmedabad, Gujarat which is falling under the jurisdiction of this Tribunal.

3. The main object of the company is to carry on the business of manufacturers, printers, processors, importers, exporters, traders, buyers, sellers and finishers of non-woven fabric and its products such as pp spun bonded fabrics, melt blown fabric, sms nonwoven fabrics, spun lace fabrics and polyester spun bonded nonwoven fabrics geotextile fabric such as geo fabrics industrial fabric, non-woven fabrics, industrial non-woven fabrics, decorative industrial fabric and textile fabrics, technical textile, pp spun bond fabric non-woven, spun bond fabric non-woven, pp fabric non-woven, fabric non-woven and its relates items. The details of the main objects are set out in the Memorandum of Association which is annexed along with the petition.

4. It is stated in the petition that due to non-availability of business prospect and non-availability of the business, the board of directors of the company having considered the matter and were of the opinion to close down the company by way of voluntary liquidation. Hence, a

Board meeting was held on 10.04.2023 to consider winding up and voluntary liquidation of the Company as per the provisions contained under Section 59 of the Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 wherein a Resolution was passed to conduct the Extraordinary General Body Meeting on 01.05.2023.

5. As proposed by the board, the Extra Ordinary General Meeting was held on 01.05.2023. In the said EGM which took place on 01.05.2023, a special resolution as required under section 59(3)(c) of the Code r. w IBBI (Voluntary Liquidation Process) Regulations, 2017 was passed to liquidate the applicant company voluntarily and appointed Mr. Pinakin Shah, Insolvency Professional, having IP Registration No. IBBI/IPA-002/IP-N00106/2017-18/10248 to act as a liquidator of the company for conducting voluntary liquidation process in relation to the Company under Section 59 of IBC, 2016.

6. The Board of directors of the company has filed Declaration of Solvency in accordance with Section 59(3)(a) of IBC,2016 with the Registrar of Companies, Gujarat (“RoC”) vide E-Form GNL-2 vide SRN: AA2283336. A copy of special resolution passed in extraordinary general meeting along with notice of EGM was submitted to the Registrar of Companies, Gujarat in the E-Form MGT-14 vide SRN: AA2303087.
7. The Liquidator made a public announcement of commencement of liquidation in Form-A of Schedule I as per Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 in English “Business Standard” and in Gujarati “Jai Hind” dated 04.05.2023, to call upon the stakeholders to submit their claims within 30 days from the date of commencement of liquidation. The public announcement was also submitted to the IBBI.
8. As per the 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 Authority on 04.05.2023. The same was also intimated to the Registrar of Companies, Gujarat on 04.05.2023.

9. In Affidavit dated 29.02.2024 filed by liquidator vide dairy no. D1863 dated 01.03.2024, it is stated in the affidavit that in compliance of Regulation 34(1) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, an existing Account No. 12882560000849 in the name of the corporate person with HDFC Bank was converted into liquidation account for the receipt of all moneys due to the corporate person. Further stated that Receipt & Payment as certified by Chartered Accountant Paresh V Soni & Company, in their audit report dated 25.07.2023, Rs. 187.89/- (part of liquidation cost) was kept in Bank liquidation account to avoid contingency of minimum balance requirement. Further stated that in compliance of Regulation 34(3), the money in the credit of the said Bank Account was used in accordance with

Section 53(1). Further stated that the difference of Rs. 187.89/- in distribution, was part of liquidation cost and was not undistributed proceeds in a liquidation process and hence undersigned is of the humble opinion that it is not required to be deposited in compliance with Rule 39(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulation, 2017.

10. The Bank Account with HDFC Bank bearing Account No. 12882560000849 has been closed on 25.07.2023 and closure certificate has been issued by the HDFC Bank on 27.07.2023.
11. As required under Regulation 9 of the Regulations, liquidator has submitted Preliminary Report on 12.06.2023.
12. In pursuant to public advertisement liquidator has not received any claim from financial creditor, operational creditor or workmen or employees or their representatives. However, the liquidator has received the claims from the 16 shareholders amounting to Rs.

3,00,00,000/-. The liquidator certified that the claims were verified in terms of Regulation 29(1) of IBBI (Voluntary Liquidation process) Regulations, 2017. The said claims have been discharged proportionately by the liquidator. The details of distribution to stakeholders have been defined as per section 52 and 53 of the IB Code, 2016 in the Form H by the liquidator. Financial Statement shows that the company does not have any other debt or liabilities to be discharged or any claims.

13. It is submitted that as on commencement date of liquidation i.e 01.05.2023 Company did not have any fixed assets, therefore, valuation thereof was not required. Copy of the financial statement for the F.Y. 2021-22 and 2020-21 annexed with the present application.
14. It is submitted that the transactions related to transfer of property or interest thereof during the period of two years preceding the voluntary liquidation commencement date were examined and the present applicant formed an opinion that neither preferential

transactions nor undervalued transactions nor extortionate credit transaction were observed during the relevant period.

15. A final report submitted by the liquidator on 25.07.2023 under Regulation 38 of the Regulations, showing receipt and payment pertaining to liquidation and other details as required under such regulations. It was further submitted that after making various payments including liquidation costs as per the provisions of Section 53(1) of IBC, 2016, the Liquidator has distributed the funds among the shareholders as detailed below are as under:

Details of Receipt:

Sr. No.	Particulars	Amount (INR)
1	Bank Balance as on Liquidation Commencement date	1,08,83,131.89
2.	Cash on Hand deposited with bank account	5,53,678
	Total Receipt	1,14,36,809.89/-

Details of Payments:

Sr. No.	Particulars	Amount (INR)
1.	Liquidation Cost	1,60,819
2.	Amount Distributed as per stakeholders claim received	1,12,75,803

3.	Difference amount with liquidator	187.89
	Total Payment	1,14,36,809.89/-

16. The affidavit dated 29.02.2024 filed by the liquidator vide Inward Dairy No. D1863 dated 01.03.2024 explained the utilization of difference amount with the liquidator of Rs. 187.89/-.
17. The final report was submitted with the Registrar of Companies, Gujarat vide E-Form GNL-2 vide SRN:AA3869740. The same was also submitted to the Insolvency and Bankruptcy Board of India by E-mail on 29.07.2023.
18. It is stated in the petition that the intimation of appointment of liquidator under section 59(3)(c) of the Insolvency and Bankruptcy Code, 2016 was sent to the Income Tax Department. The Income Tax Department vide its letter dated 17.05.2023 stated that as *“per record available with this office no demand is pending or outstanding in this case, therefore, in present, there is no need to file any claim”*.

19. The matter was heard and reserved for order. However, on perusal of the records, it is found that the Applicant has not attached the Minutes of EGM held on 01.05.2023 as an annexure to the application. Further, No Proof of public announcement made the IBBI annexed with the Application. Further, Special Resolution as required under Section 59(3)(c) was not passed within 4 weeks from the date of declaration of solvency. Therefore, the case was de-reserved and listed for clarification on 12.02.2024.
20. Pursuant to an order dated 12.02.2024 the applicant filed a Clarification by way of Affidavit attaching the minutes of EGM held on 01.05.2023 and Screen shot in support of proof of submission of public announcement on the website of IBBI. Further clarified that the Special Resolution passed in an EGM was within the four weeks of declaration of solvency.
21. Heard learned counsel for the Applicant/Corporate person and perused the material and documents made available on record. On being satisfied that the affairs of

the Company have been completely wound up and the assets of the Applicant Company have been completely liquidated and that no objection has been received from relevant authorities nor any liabilities to be paid. Further, as such the Applicant Company deserves to be dissolved. Accordingly, in exercise of the power conferred under Section 59(8) of IBC, 2016 we hereby by order the dissolution of **Saffron Nonwoven Private Limited** having CIN: U18101GJ2011PTC066644 and the Applicant Company shall stand dissolved from the date of this order.

22. Consequently, the Liquidator Mr. Pinakin Shah is discharged from his duties and responsibilities as the liquidator.
23. The Registry of this Bench and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, Gujarat, Income Tax Department and also to IBBI, within 14 days from the date of this order for information and necessary action.

24. The Liquidator shall preserve a physical or an electronic copy of the reports, registers and books of account referred to in Regulations 8 and 10 of IBBI Regulations for at least eight years after the dissolution of the Corporate Person, either with himself or with an information utility.

25. Accordingly, the present application i.e CP(IB)/221(AHM)2023 stands allowed and disposed of.

-SD-
SAMEER KAKAR
MEMBER (TECHNICAL)

Paresh Vedani

-SD-
SHAMMI KHAN
MEMBER (JUDICIAL)