



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

CP (IB) No.86/Vol./Chd/Pb/2021

**Under Section 59 of the Insolvency and
Bankruptcy Code, 2016**

In the matter of :

Akal Finlease Limited

having its registered office at
13, New Guru Nanak Market Shashtri Nagar
Batala, Distt. Gurdaspur, Punjab-143505
CIN No. U65921PB1997PLC019260

... Petitioner

Judgment delivered on: 09 .05.2023

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

For the Petitioner: Mr. Vaibhav Gupta, Advocate

Per: Harnam Singh Thakur, Member (Judicial)

JUDGMENT

The present Company Petition has been filed by the Liquidator, Mr Vishawjeet Gupta, on behalf of Akal Finlease Limited under Section 59 of the Insolvency and Bankruptcy Code, 2016 (in short, The Code) seeking the relief that the Petitioner Company be dissolved as per the provisions of the Code and the Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

2. Brief facts giving rise to the filing of the instant Company Petition, which is just and necessary for adjudication, are narrated hereunder:-

2.1 It is submitted that the company was incorporated on 06.01.1997 and the main object of the company was to carry on the business of hire, purchase general



finance, housing and industrial financing etc. The master data, Certificate of Incorporation and Memorandum of Association and Articles of Association of the Company are attached as Annexure A-1, A-2 & A-3 of the petition.

2.2 The Authorized Share Capital of the Applicant Company is Rs.75,00,000/- and the issued, subscribed and paid-up capital is Rs. 63,50,000/-. The applicant company in its board meeting dated 19.02.2018 decided not to carry on financial business and discontinue the business. The letters dated 20.02.2018 and 05.05.2018 were sent to the Department of NBFC Supervision, Reserve Bank of India for surrendering its original certificate of registration and the Reserve Bank of India cancelled the certificate of registration by the order dated 30.05.2018 which is attached as Annexure A-5 to A-7 of the application. The Board Resolution dated 06.01.2020 to voluntarily liquidate the company in accordance with the provisions of Section 59 of IBC, 2016 was passed.

2.3 It is further submitted that the declaration of solvency by the majority of Directors was filed with the Registrar of Company in Form GNL 2 on 10.02.2020. The shareholders of the petitioner company by a special resolution approved the voluntary liquidation of the company and the appointment of Sh. Vishawjeet Gupta, Insolvency Professional, to act as Liquidator of the company on 04.02.2020. The certificate true copy of the resolution was filed with the Registrar of Companies in Form MGT-14 on 10.02.2020. The public announcement was made on 09.02.2020 in two newspapers i.e., 'Times of India' (English) and 'Dainik Savera' (Regional). The liquidator informed the Registrar of Companies, IBBI and other Regulatory Authorities about his appointment and commencement of voluntary liquidation on 09.02.2020 and 10.02.2020.



2.4 As per Regulation 34(1) of IBBI (Voluntary Liquidation Process), Regulations, 2017, the liquidator intimated the Bank about the commencement of voluntary liquidation and the bank changed profile of current account of Company was closed on 22.09.2020 and a separate account of the company 'In Voluntary Liquidation' was opened at India Bank, Panchkula. The copies of the letter sent by the liquidator to close the current account and the statements showing the transfer of amount of Liquidation Account from current account are attached as Annexure A-17 & A-18 respectively of the application. The company was having certain FDRs in its name. and the said FDRs of the company were also liquidated in the liquidation account of the company.

2.5 2.4 It is further averred that no claims were received by the liquidator, so there was no need for preparation of the list of stakeholders in accordance with the provisions of Regulation 30 of IBBI (Voluntary Liquidation Process), Regulations, 2017. The creditors amounting to Rs.1,16,000/- has intimated the liquidator to write off their outstanding amount and the letters are attached as Annexure-A21 of the application. The preliminary report of the company was prepared on 18.03.2020 in terms of Regulation 9 of IBBI (Voluntary Liquidation Process), Regulations, 2017.

2.6 It is submitted by the liquidator that he has sent reminder letters dated 22.10.2020, 23.10.2020, and 27.10.2020 by speed post, and email to the concerned Income Tax Department but communication has been received for any outstanding demand and as per e-filing website, there was no pending demand against the company. The Directors and the individual shareholders have furnished Indemnity Bonds to the liquidator that they will pay and settle all the lawful claims arising in future after the compliance of liquidation process. The said Indemnity



Bonds furnished by the Directors and the individual shareholders are attached as Annexure A-24 of the application.

2.7 It is further mentioned that all the assets have been released and liabilities have been paid off and the remaining bank balance was repatriated among the Shareholders in the ratio of their shareholding in the Company. The final receipt and payment account of the liquidation account was audited vide report dated 08.01.2020 (Annexure A25). The final report of the liquidation process was prepared on 11.01.2021 (Annexure A-26) and was submitted to the Registrar of Companies in form GNL 2 and also to IBBI Board.

3. On the basis of the aforementioned grounds and reasons, the company, through the liquidator, has prayed for an order from this Adjudicating Authority for the dissolution of the Petitioner Company and making a declaration to this effect.

4. Notice was issued to the Registrar of Companies (RoC), Punjab and Chandigarh. The affidavit of service was filed vide Diary Nos. 00136/3 dated 29.07.2022. In compliance with the above order, RoC filed its report vide Diary No.00136/4 dated 19.10.2022, whereby it has stated that no inquiry/inspection/complaint/legal action has been proceeded/pending against the concerned company. The IBBI report is filed vide Diary Nos. 00136/2 dated 19.09.2022, wherein it is stated that as per Section 59(4) of the Code, the liquidator had informed the Board vide email dated 09.02.2020 about the commencement of voluntary liquidation of the Corporate Debtor in the instant case. Further, in terms of regulation 38(2) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulation, 2017 the liquidator had sent the final report to the Board vide email dated 11.01.2021. Neither any action is contemplated by the



Board, nor any action is pending against the liquidator before it. The Board has no observation against the dissolution of the Company.

5. We have heard the learned counsel appearing on behalf of the Petitioner Company and, with his able assistance, have carefully gone through the contents of the present petition. We have also duly considered the merits thereof in the light of the statutory provisions of Section 59 of the Code read with other relevant Regulations. For the sake of convenience, the relevant provisions of Section 59 of the Code are being reproduced hereinbelow:-

59 Voluntary Liquidation of corporate persons

1. *A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.*
2. *The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.*
3. *Without prejudice to sub-section (2), voluntary liquidation proceedings of a corporate person registered as a company shall meet the following conditions, namely:-*
 - a. *a declaration from majority of the directors of the company verified by an affidavit stating that-*
 - i. *they have made a full inquiry into the affairs of the company and they have formed an opinion that either the company has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation; and*
 - ii. *the company is not being liquidated to defraud any person;*
 - b. *the declaration under sub-clause (a) shall be accompanied with the following documents, namely:-*
 - i. *audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later;*
 - ii. *a report of the valuation of the assets of the company, if any prepared by a registered valuer;*
 - c. *within four weeks of a declaration under sub-clause (a), there shall be-*
 - i. *a special resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator; or*



- ii. *a resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily as a result of expiry of the period of its duration, if any, fixed by its articles or on the occurrence of any event in respect of which the articles provide that the company shall be dissolved, as the case may be and appointing an insolvency professional to act as the liquidator.*

Provided that the company owes any debt to any person, creditors representing two-thirds in value of the debt of the company shall approve the resolution passed under sub-clause © within seven days of such resolution

4. *The company shall notify the Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.*
5. *Subject to approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause © of sub-section (3).*
6. *The provisions of sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.*
7. *Where the affairs of the corporate person have been completely wound up, and its assets completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate person.*
8. *The Adjudicating Authority shall on an application filed by the liquidator under sub-section (7), pass an order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.*
9. *A copy of an order under sub-section (8) shall, within fourteen days from the date of such order, be forwarded to the authority with which the corporate person is registered.*

6. A bare perusal of the material available on record shows that the Board of Directors of the Company has taken a conscious decision to close down the company. Thus, the Board of Directors of the company have unanimously proposed to liquidate the company by invoking the provisions of voluntary liquidation under Section 59 of the Code.

7. It has been mentioned in the petition that the Board of Directors in its meeting dated 06.01.2020 and the shareholders of the petitioner company by special resolution approved the voluntary liquidation of the company and the appointment of Sh. Vishawjeet



Gupta, Insolvency Professional, to act as Liquidator of the company on 04.02.2020. On 04.02.2020, the above resolution was approved by creditors representing two third in value of debt of the company.

8. From the perusal of the record of the case, it is seen that the Liquidator, after his appointment, has duly performed his duties and completed the necessary formalities to complete the liquidation process of the Petitioner Company, which has been averred in the present petition and, thus, the liquidator has prayed for an order from this Tribunal to dissolve the Petitioner Company.

9. Since there is no objection received from any angle opposing the proposed voluntary liquidation/dissolution of the company either from the side of the shareholders or from creditors, nor any adverse comment, have been received from the public at large against such liquidation/dissolution, despite there being a public announcement by the liquidator and also updation of the same in the website of the Insolvency and Bankruptcy Board of India (IBBI). It is also evident from the record that the proposed liquidation was duly communicated to the Registrar of Companies, Punjab and Chandigarh, as per Form MGT-14 and Form GNL-2.

10. The Registrar of Companies filed its report whereby it has stated that no inquiry/inspection/complaint/legal action has been proceeded/pending against the subject company. The IBBI report is filed wherein it is stated that neither any action is contemplated by the Board, nor any action is pending against the liquidator before it. The Board has no observation against the dissolution of the Company.

11. Apart as per record of the present case, it is seen that the company is not found involved in such kind of business activities, which are detrimental to the interest of the



public at large. Further, it is not the case that the proposed liquidation may adversely affect its shareholders/members or is contrary to the provisions of the law.

12. The Liquidator had filed copies of the paper publication as well as copies of the paper announcement in Form-A. The Liquidator is found to have complied with the statutory provision to complete the liquidation process by taking necessary steps. The current account of the company in the bank has also closed on 22.09.2020 and 'in voluntary liquidation' account was opened on 07.08.2020 for realization and payment to the members which was closed on 18.11.2020. The Liquidator had further intimated to the Income Tax Department regarding the voluntary liquidation of the company as well as his appointment as the liquidator.

13. The Liquidator has also annexed a copy of the preliminary report, a copy of the Final Report, Form GNL-2, along with a copy of the tracking report and postal receipts with the present application.

14. By taking into consideration the above-stated facts and circumstances, the present application deserves to be allowed for the proposed Liquidation/Dissolution of the Corporate Person.

15. Consequently, this Adjudicating Authority, in the exercise of the power conferred to it under Section 59 (8) of the Insolvency and Bankruptcy Code, 2016, orders that the Corporate Person (Petitioner Company) Akal Finlease Limited shall stand dissolved with effect from the date of this order.

16. The Liquidator is directed to communicate a copy of this order to the respondent, i.e. Registrar of Companies, Punjab and Chandigarh, wherein the registered office of the



company is situated. Further, a copy of this order should also be communicated to the IBBI for information. Such communication should be made within the stipulated period of fourteen (14) days from the date of receipt of an authentic copy of this order.

17. The Registry is directed to communicate a copy of this order to the Registrar of Companies, Punjab and Chandigarh, as well as to the Insolvency and Bankruptcy Board of India (IBBI).

18. Thus, the present Company Petition is allowed and stands disposed of.

Sd/-

(Subrata Kumar Dash)
Member (Technical)

May 09, 2023
SD/SA

Sd/-

(Harnam Singh Thakur)
Member (Judicial)