

CP(IB)/03/KOB/2022

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH, KERALA**

CP(IB)/03/KOB/2022

(Under Section 59 of the Insolvency and Bankruptcy Code 2016)

Order delivered on: 9th February, 2022

Coram:

Hon'ble Mr. Ashok Kumar Borah, Member (Judicial)
Hon'ble Mr. Anil Kumar. B, Member (Technical)

Midhuna K.C.,
Liquidator,
Reg No. IBBI/IPA-002/IP-N00813/2019-20/12741,
Kerala GAIL Gas Limited (In Voluntary Liquidation),
(CIN: U40200KL2011GOI029899),
2nd Floor, Choice Tower,
Manorama Junction, Ernakulam,
Kerala- 682 016. ... Applicant/Liquidator

Parties/Counsel present(through video conference)

For Applicant ... Smt. Midhuna K.C., Liquidator along with
Shri.Sandeep Kumar, PCS.

ORDER

Per: Ashok Kumar Borah, Member (J)

This is an application filed under Section 59 of the Insolvency & Bankruptcy Code, 2016 in the matter of M/s. Kerala Gail Gas Limited through the Liquidator, namely, Smt. Midhuna K.C for dissolution of the Corporate Person through voluntary liquidation. The Corporate Person has completed the requisite formalities and procedure for liquidation in compliance with the extant Rules and Regulations and has filed this application.

2. In the application, it is stated that the Corporate Person was incorporated on 22nd November 2011, with its Registered Office at 2nd Floor, Choice Tower, Manorama Junction, Ernakulam, Kerala- 682 016.
3. The Board of Directors of the Company, in its 29th Board Meeting held on 05.07.2019, took note of the fact that the Company could not commence any business activities and is not intending to undertake any business activities in future also. In another meeting held on 02.12.2020, the Board approved proposal for the voluntary liquidation of the Company subject to approval of the members of the Company. Under Section 59 of the Insolvency and Bankruptcy Code, 2016, all the Directors of the company made a declaration on 08.12.2020 and 09.12.2020 in this regard. The Liquidator stated that the declaration by all the Directors along with audited financial statements of the Company for the previous two years were filed with the Registrar of Companies, Kerala in form GNL-2 vide SRNR82166034.
4. The Board of Directors of the Company comprising representatives of the JV Partners (GAIL and KSIDC) in their Extra-Ordinary General Meeting held on 28.12.2020 passed a special resolution under Section 59 of the Code read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (Regulations), to liquidate the Company voluntarily and appointed Ms. Midhuna K. C., an Insolvency Professional, having Registration No. IBBI/IPA-002/IP-N00813/2019-20/12741 to act as Liquidator of the Company.
5. The Liquidator made Public Announcement in Form A of Schedule I in two newspapers viz; the Hindu (English) and Mathrubhumi (Malayalam) both dated 30.12.2020. In addition to that the proposal for liquidation and

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the appointment of liquidator was intimated to the Registrar of Companies, Kochi in form MGT-14 on 30.12.2020. The Public Announcement simultaneously was submitted to the Insolvency and Bankruptcy Board of India (IBBI) website on 01.01.2021.

6. The Last Date for submission of claims, if any, was 27.01.2021. The Liquidator has received claims from three operational creditors only and that no claims were received from others. Pursuant to Regulation 30 of Voluntary Liquidation Regulations, the Liquidator prepared a List of stakeholders on the basis of proof of claims which was circulated to the stakeholders on 12.03.2021.
7. As per Regulation 9 of Voluntary Liquidation Regulations, the Liquidator submitted the Preliminary Report to the Corporate Person on 05.02.2021. As per Regulation 34 (1) of Voluntary Liquidation Regulations, the Liquidator retained the existing two Bank accounts (Current Accounts) already maintained by the Company with HDFC Bank, Cochin, for realization and payment to the Creditors and Members and the name of the accounts were changed to **‘Kerala GAIL Gas Limited in Voluntary Liquidation’**. After extinguishment of all the liabilities, the residual assets to be distributed to the members amounting to Rs. 3,30,07,436.4/- were distributed to the members of the Company i.e., GAIL Gas Limited (Rs. 1,65,03,718.2/-) and KSIDC (Rs. 1,65,03,718.2/-) (JV Partners of the Company) in the proportion of 1:1 (after deducting applicable TDS) in the Bank Account by way of RTGS on 27.12.2021, the receipt of which has been confirmed by the members through letters.

8. As per provisions of Section 178 of the Income Tax Act, 1961, the Liquidator intimated to the Income Tax Authority on 22.01.2021 regarding the commencement of liquidation and appointment of Liquidator for a no objection certificate from the Income Tax Department. Since no response has been received by the Liquidator requests were sent again to the Income Tax Department by way of letters dated 25.11.2021 and 01.12.2021. To this also the Liquidator has not received any response. It is further stated that the IBBI issued a direction/circular on 15.11.2021 stating that the process of applying and obtaining NOC/NDC from Income Tax Department consumes substantial time and this militates against the express provisions of the IBC, 2016 and defeats the objective of time bound completion of process and hence the prescription for seeking NOC/NDC from the Income Tax Department is dispensed with w.e.f 15.11.2021 for Voluntary Liquidation. It is stated that the Liquidator intimated the commencement of liquidation and appointment of Liquidator to the office of Comptroller and Auditor General of India as the appointment of Statutory Auditor is made by the office of Comptroller and Auditor General of India.
9. The Final Report along with the Auditor's Certificates on the liquidation, showing receipts and payments pertaining to liquidation since the liquidation commencement date, was submitted to the Registrar of Companies, Kerala and IBBI on 27.12.2021. Subsequent to the payment to creditors and members of the Company, the Liquidator has closed the liquidation Account.
10. On verification of the documents produced, we have noticed that the affairs of the Corporate Person have been completely wound up and its

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assets were liquidated. Hence, we are of the considered opinion that the Corporate Person, through its Liquidator, has been voluntarily liquidated in totality so as to get it dissolved. We have also noticed that even though the Liquidator wrote to the Income Tax Department for an NOC, they have not responded to either stating any dues from the company or rejecting the request of the Liquidator.

11. In view of the aforesaid discussions, this Tribunal approves the dissolution of the Corporate Person. The Liquidator is directed to file a copy of this order with the Registrar of Companies, Kerala and also the Insolvency and Bankruptcy Board of India within fourteen days from today in compliance of Section 59 (7 to 9) of the I & B Code.

12. Accordingly, this **CP(IB)/03/KOB/2022 is allowed.**

Dated the 9th day of February, 2022.

Sd/-

(Anil Kumar B)
Member (Technical)

Sd/-

(Ashok Kumar Borah)
Member(Judicial)

RRN