IN THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH, BENGALURU

(Through Physical Hearing/ VC Mode (Hybrid))

C.P. (IB)No.181/BB/2023

Application under sub-section (7) of Section 59 of the Insolvency and Bankruptcy Code, 2016 R/w sub-regulation (3) of Regulation 38 of Insolvency and Bankruptcy Board (Voluntary Liquidation Process) Regulations, 2017

IN THE MATTER OF:

Mr. Shashikant Shravan Dhamne (Liquidator of CVS Strategic Resources Private Limited)

Regd Office at No.17/1, 3rd Cross, Malleshwaram,
Bengaluru, Karnataka- 560003 - Applicant Company

VERSUS

The Registrar of Companies, Bengaluru, Karnataka,

'E' wing, 2nd Floor, Kendriya Sadan, Koramangala, Bengaluru – 560 034.

- Respondent

Order delivered on: 20th day of August, 2024

Coram: 1. Hon'ble Shri K. Biswal, Member (Judicial)

2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Present:

For the Applicant: Shri Ravi Shankar Devarakonda (PCA)

ORDER

Per: K. Biswal, Member (Judicial)

1. The instant Company Application has been filed by Mr. Shashikant Shravan Dhamne, Liquidator of CVS Strategic Resources Private Limited (hereinafter referred to as the Applicant Company) on 10.11.2023 under sub-section (7) of Section 59 of the Insolvency and Bankruptcy Code, 2016 (herein after referred to as the Code) R/w sub-regulation (3) of Regulation 38 of the Insolvency and Bankruptcy Board (Voluntary

Liquidation Process) Regulation 2017, *inter alia*, seeking for the following reliefs:

- (a) The Corporate Person be dissolved from the date of order of the Hon'ble Tribunal;
- (b) The Liquidator do file the certified copy of the dissolution order with the Registrar of Companies, Bengaluru;
- (c) The liberty be reserved to the Petitioner and all other persons interested in this Petition and all other persons interested in this Petition to apply to this Hon'ble Tribunal herein as and when occasion may arise for any direction that may be necessary;
- (d) Such further and other orders be passed as this Hon'ble Tribunal may deem fit and proper.

2. The averments made in the Application are as follows:

- (a) CVS Strategic Resources Pvt. Ltd., the Applicant Company was incorporated on 10.03.2022 under the Companies Act, 2013 bearing CIN: U72900KA2022FTC158765 having its Registered Office at No. 17/1, 3rd Cross, Malleshwaram, Bengaluru, Karnataka- 560003. The Authorized Share capital of the Company is INR 1,00,00,000 divided into 10,00,000 Equity Shares of INR 10 each. The Applicant Company was incorporated in India with an objective to conduct the business of rendering all types of information technology and related consultancy services.
- (b) The Applicant Company has not commenced any business activities since its incorporation and foresees no viable business opportunities in future hence it intends to voluntary liquidate itself. With regard to such intendment of corporate person, the Board of directors vide their resolution passed on 21.12.2022 have approved the Voluntary Liquidation of the Company under the provisions of Insolvency and Bankruptcy Board of India, 2016. Majority of its Directors have furnished **Declaration of Solvency**, verified by an affidavit dated 09.01.2023 and 10.01.2023 stating that they have made full enquiry

- into the affairs of this Applicant Company and the Applicant Company has no debts. Further, it is declared that the Applicant Company is not being liquidated to defraud any person and the Applicant Company has made provisions for preservation of its records after its dissolution.
- (c) The Applicant Company in its Extraordinary General Meeting held on 31.01.2023 passed a Special Resolution to liquidate the Company voluntarily, and appointed Mr. Shashikant Shravan Dhamne, IP to act as Liquidator of the Applicant Company. The copy of the same is attached to the Application and marked as Exhibit D.
- (d) As per the memo filed *vide* Diary No.1690 dated 14.03.2024, the Liquidator submitted that the Applicant Company was incorporated on 10.03.2022, and the Special Resolution initiating the Voluntary Liquidation was passed by the Shareholders on 31.01.2023. Thus, the Company did not complete full Financial Year, and hence was not required to prepare any Audited Balance Sheet as per Section 2(41) R/w Section 129 of the Companies Act, 2013. Accordingly, CVS Strategic Resources Pvt. Ltd. did not prepare any Audited Annual Report for the past two years.
- (e) The commencement of liquidation and appointment of Liquidator is intimated to the RoC in form MGT-14 on 27.02.2023 and GNL-2 (for submissions of documents) on 31.03.2023. The Public Announcement was simultaneously submitted to IBBI to place the same on its website.
- (f) It is submitted that as per **Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations, 2017,** the Liquidator made a Public Announcement of commencement of liquidation in Form A, in 'Financial Express', English Newspaper and 'Vishwavani', Kannada Newspaper on 04.02.2023, seeking submission of the claim by Stakeholders, if any, on or before 02.03.2023. The copy of the Public Announcement is attached to the Application and marked as Exhibits I1 & I2.

- (g) It is submitted that as per **Regulation 30 of the IBBI (Voluntary Liquidation Process) Regulations, 2017,** no claims were received since liquidation commencement date, no debts were required to be discharged. Accordingly, the list of Stakeholders was prepared and duly submitted to IBBI.
- (h) It is submitted that as per **Regulation 9 (1) of Chapter IV of the IBBI (Voluntary Liquidation Process) Regulations, 2017,** the Liquidator submitted the preliminary report to the Corporate Debtor on 16.03.2023. The copy of the same is attached to the Application and marked as Exhibit K.
- (i) It is also submitted that as required under **Regulation 34 of the IBBI**(Voluntary Liquidation Process) Regulations, 2017, the Bank Account held by Corporate Person with the HSBC Limited was converted into Liquidation Account and the Liquidator was duly added as sole authorized signatory to the said Bank Account and the same has been used since to make payments during the liquidation period.
- (j) It is submitted that as per **provisions of Section 178 of the Income Tax Act, 1961**, the Applicant intimated the commencement of liquidation and appointment of liquidator to the Income Tax Authority through RPAD on 08.02.2023 and physical submission done on 17.02.2023. The copy of the intimation letter is attached to the Application and marked as Exhibit G. That a reminder letter was sent to the Income Tax Department asking for claims, if any or no dues Certificate from the department on 10.04.2023. It is further submitted that the requirement for obtaining a No Dues Certificate from the Income Tax Department during Voluntary Liquidation was waived by IBBI Circular No. IBBI/LIQ/45/2021 dated 15.11.2021. The copy of the said circular is attached at Page No.193 to the Application.
- (k) Further, it is submitted that the Liquidator has also notified the commencement of voluntary liquidation to Central Goods and Service Tax Department, State Goods and Service Tax Department, Office of

Senior Labor Inspector for Shop Act Registration, Profession Tax Officer, Provident Fund Department, Employees State Insurance Corporation (ESIC) Office and Additional Director General of Foreign Trade Office (DGFT) for IEC Registration. The Copy of the letters submitted with aforesaid office through registered posts are annexed as Exhibits H1 to H7.

- (l) It is submitted that there were no creditors in the Corporate Person as on liquidation commencement date.
- (m) The surplus funds available with the Corporate Person, were duly distributed to the shareholders on 05.07.2023.
- (n) It is submitted that subsequently, the liquidator has closed the Bank Account on 30.08.2023.
- (o) It is also submitted that as per **Regulation 38 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017** the Liquidator had the Accounts audited for the liquidation period and prepared the Final Report on 14.09.2023. In connection with the Accounts of the liquidation, the CA Certificate showing receipts and payments pertaining to liquidation period i.e. 31.01.2023 to 30.08.2023 has been computed in following manner:

Receipts and Payments Account for the Period from 31.01.2023 to 30.08.203

Receipt	Amount	Payments	Amount
A. Opening Bank Balance		A. Liquidation Cost	
Balance with HSBC Limited as at LCD	47,84,318.00	Professional Fees of the Liquidator	2,36,250.00
		Professional fees for the Liquidation Account audit	56,700.00
		Bank Charges	1,918.78

		TDS paid on the above payments	31,500.00
		(as applicable)	
		B. Distribution of	
		the surplus funds to the	
		shareholder	
		CVS International	44,57,949.22
		Inc.	
Total	47,84,318.00		47,84,318.00

- a. It is also submitted that the Final Report of the Liquidating Company was submitted to the RoC on 28.09.2023 and to the IBBI on 16.09.2023. The copy of the CA Certificate and Final Reports are attached to the Application and marked as Exhibit N.
- 3. Heard Shri Ravi Shankar Devarakonda, Ld. PCA for the Applicant/Liquidator.
- 4. On 01.03.2024, the following Order was passed:
 - "....2. The learned Counsel for the Petitioner submits that the amount which has been repatriated to the Foreign Company is less than the amount invested so there was no question/occasion of deemed dividend. The learned Counsel for the Petitioner is directed to file explanatory Memo for the same, within a period of one week...."
- 5. Pursuant to the above order, the Liquidator has file a memo *vide* Diary No. 1690 dated 14.03.2024 stating that:

"....a. Distribution to the Shareholders by way of repatriation to Foreign Shareholder (Company)

The Company was incorporated in 10.03.2022, and did not carry on any business operations, and accordingly did no earn any revenue. The Shareholders contributed Rs.50,00,000/- towards Share Capital, and received only Rs.44,57,929/- during the process of Voluntary Liquidation, after meeting the liquidation expenses. Since the Shareholders did no earn any dividend or Deemed Dividend or Capital Gains on their investment, Tax is not applicable on the said transaction and hence there is no requirement for deduction of withholding Tax (TDS) on the distribution to the Shareholders...."

- 6. On examining the submissions made by the Ld. PCA for the Applicant and after perusing the documents annexed to the Application, it appears that the affairs of the Corporate Person 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 sub-section (8) of Section 59 of the IBC, 2016, we hereby order the dissolution of **CVS Strategic Resources**Pvt. Ltd. and the Applicant Company shall stand dissolved from the date of this order.
- 7. Accordingly, the Company Petition bearing C.P.(IB)No.181/BB/2023 stands allowed.
- 8. The Registry and the Liquidator is directed to serve a copy of this order upon RoC and IBBI within fourteen days from the date of receipt of copy of this order.

-Sd-MANOJ KUMAR DUBEY MEMBER (TECHNICAL) -Sd-K. BISWAL MEMBER (JUDICIAL)