

**IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

(IB) -100 (PB)/2024

Under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 38 (3) of Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

IN THE MATTER OF:

M/s. PINKCITY ELECTRONICS PRIVATE LIMITED

Having its Registered Office at:

C-1/1183, Vasant Kunj,

New Delhi-110070

through

Mr. Pradeep Kumar

...Applicant/Liquidator

Order Pronounced on: 05.07.2024

CORAM:

**CHIEF JUSTICE (Retd.) SHRI RAMALINGAM SUDHAKAR
HON'BLE PRESIDENT**

**SHRI AVINASH K. SRIVASTAVA
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Petitioner : Mr. Sunil Kumar, Adv., Mr. Pradeep Kumar,
Liquidator

ORDER

1. The present Application has been filed by Mr. Pradeep Kumar, Liquidator of **M/s. Pinkcity Electronics Private Limited** under Section 59(7) of the Insolvency & Bankruptcy Code, 2016 (“IBC” or “the Code”) r/w Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, (“Voluntary Liquidation Regulations”). Applicant has prayed for the following:
 - (a) Allow the present application of the Voluntary Liquidator and pass an appropriate order for dissolution of Company i.e., M/s. Pinkcity Electronics Private Limited having CIN: U74899DL1992PTC051088 under Section 59(8) of the Insolvency and Bankruptcy Code, 2016, from the date of pronouncement of the order;
 - (b) Discharge Mr. Pradeep Kumar from all the duties and obligations who acted as a Liquidator of Pinkcity Electronics Private Limited.
 - (c) *Pass any other orders/directions, which this Hon'ble Tribunal may deem fit and proper in the interest of justice, and in the facts and circumstances of the present case.*
2. The Applicant Company was incorporated on **11.11.1992** with CIN: U28910DL2007PLC170333, having Registered office at C-1/1183, Vasant Kunj, New Delhi-110070 under the provisions of the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi. The Authorized Share Capital of the Company is Rs. 53,25,000/- (Rupees Fifty-Three Lakh twenty-five Thousand Only) and its paid-up share capital is Rs. 37,58,140/-.
3. The main objects of the Applicant Company are to manufacture, buy, sell, import, export, deal in, assemble, fit, repair, convert, overhaul, alter, maintain and improve all types of electronic components and devices and testing and measuring instruments, equipment and appliances.
4. The Details of the Directors and shareholders of the Company are

given below:

II. The Name and address of the Directors of the applicant Company are as follows:

S. No.	Name of Directors	DIN	Address	Date of Appointment
1	Rajendra Prasad Mahipal	01123698	C-1/1183, Vasant Kunj New Delhi-110070, India	20.11.1992
2	Shyam Kishore Verma	00372019	426, Devi Nagar, New Sangamer Road, Sodala Shyam Nagar, Jaipur, Rajasthan 302019	20.11.1992

III. The Name and address of the Shareholders of the applicant Company are as follows:

S. No.	Name of Shareholders	Address	Number of Equity shares held
1	Rajendra Prasad Mahipal	C-1/1183, Vasant Kunj, New Delhi- 110070	174,369
2	Santosh Mahipal	C-1/1183, Vasant Kunj, New Delhi- 110070	13,537
3	Shyam Kishore Verma	426, Devi Nagar, New Sangamer Road, Sodala Shyam Nagar, Jaipur, Rajasthan 302019	152,620
4	Usha Verma	426, Devi Nagar, New Sangamer Road, Sodala Shyam Nagar, Jaipur, Rajasthan 302019	35,288

REASONS FOR VOLUNTARY LIQUIDATION

5. The Board of Directors (BoD) of the Company, at its meeting held on **28.11.2022** recommended the Voluntary Liquidation of the Applicant Company by way of voluntary winding up as per section 59 of the Code read with regulation 3 of Voluntary Liquidation Regulations on the ground that the Company was not carrying business from preceding more than three years and not earning any

profits except the interest income from loans and investments. Further, due to non-availability of future business prospects and that it was not financially viable to carry on the business activities, the Board of Directors proposed to close down the company by way of voluntary liquidation.

6. It is submitted that the majority directors of the Applicant Company made a Declaration of Solvency that they have made a full inquiry into the affairs of the company and they have also formed an opinion that company has no debts, and that if claimed during the liquidation process, the company will be able to pay its debts/claims in full from the proceeds of assets to be sold in voluntary liquidation. The declaration is also accompanied by audited financial statements and record of business operations of the Company for previous two years (20-21 and 21-22) which are annexed as **Annexure B(colly)**. The directors have also deposed by way of affidavit dated **28.11.2022 (placed as Annexure B (colly))** that the company is not being liquidated to defraud any Creditor, Government, Company, Firm or any person and resolved to wind up the company under “Voluntary Winding up” at the Board meeting held on **28.11.2022**, as per section 59(3)(a) of the Code.
7. Further, as proposed by the BoD, the Members of the Company in Extra Ordinary General Meeting (EGM) held on **05.12.2022**, passed a special resolution as required under section 59 of the Code to liquidate the Corporate Person voluntarily and appointed the applicant **Mr. Pradeep Kumar**, Registered Insolvency Professional having Registration No. **IBBI/IPA-001/IP-P-02583/2021-2022/13981** to act as the Liquidator of the Company.
8. The Liquidator made a public announcement of the commencement of liquidation in Form A of Schedule I as per regulation 14 of the Voluntary Liquidation Regulations in FINANCIAL EXPRESS in English and in JANSATTA in HINDI on **08.12.2022** inviting claims due from the Company by various stakeholders. As per Section 59(4) of the code, the Liquidator intimated the Insolvency and Bankruptcy Board of India on **09.12.2022** and the Registrar of Companies on

12.12.2022 (para 11 (ibid)).

9. Further, Liquidator submitted that though in terms of circular bearing no. IBBI/LIQ/45/2021 dated 15th November 2021 issued by Insolvency and Bankruptcy Board of India, an Insolvency Professional handling voluntary liquidation process is not required to seek any NOC/NDC from the Income Tax Department as part of compliance in the said process, however, as per provisions of Section 178 of the Income Tax Act, 1961, the liquidator intimated to the Income Tax Authority about the commencement of liquidation and appointment of liquidator and also requested to the Assessing officer of the Income Tax Office to issue no dues certificate or alternatively inform any amount that needs to be provided towards income tax which is presently or likely to become payable by the Company, through letters on December 8, 2022, email dated December 11, 2022 and reminder letters and email dated February 7, 2023 respectively and a Grievance Application filed vide Acknowledgement No. 9958746 on dated 13th December 2022. Though no response or reply was received from the Income Tax Department against the aforementioned letters and emails of the Liquidator, however response was received from the Income Tax department on May 31, 2023 of aforesaid Grievance Application filed vide Acknowledgement No. 9958746, wherein Income Tax Department had mentioned that, the issue has been considered and resolved. Thereafter the Liquidator has received the final Income Tax Refund Order dated December 8, 2023 issued by Income Tax Department, communicating the refund amount of Rs. 2, 52,730/- in respect of return of income for AY 2023-24 after adjusting the demand of Rs. 312/- in respect of AY 2008-09, which substantiate that as of now there are no dues in respect of any liability towards Income Tax Department. The Liquidator also received a communication dated 06.01.2023, from the concerned GST department communicating that there is no pending demand against the GST department also. Copy of letter dated 06.01.2023 received from GST Department is annexed as **Annexure- H**.

10. The Liquidator submitted that it has not received any claims from any of the creditors (operational as well as financial including employees, workmen and from other creditors).
11. Liquidator submitted that the commencement of liquidation, appointment of liquidator and intimation regarding passing of special resolution by the shareholders at Extraordinary General Meeting dated December 5, 2022 were filed with Registrar of Companies, Delhi and Haryana on **12.12.2022**.
12. The status report of RoC in compliance of the Tribunal's order dated **09.04.2024** is also filed. The relevant portion of status report is extracted below stating that:

“That as per available records, Last Balance Sheet and Annual Return were filed by the company for the FY 2021-22 in e-form AOC-4 & MGT-7 vide SRN F25821539 & F26065573 dated 22.09.2023 & 23.09.2023 respectively.

Further as per data received from various cells in this office, no inquiry / inspection / complaint / legal action has been pending against the subject company. That this office has compiled the above factual report based on the records maintained & document filed by the concerned Company on MCA21 portal.

The IBBI is the concerned authority under Insolvency & Bankruptcy Code, 2016. However, present status report about the company based on information/record as available on MCA2I portal is being filed by this office in compliance of Hon'ble NCLT order dated 27.02.2024.”

13. As per the regulations, the Liquidator had also opened a Bank Account bearing account no. 0562102100000360 in the name of “Pinkcity Electronics Private Limited in Voluntary Liquidation” with Punjab National Bank, Haus Khas Branch, New Delhi for realization and payment to the creditors and members/contributories. The said bank account has been closed (closure certificate annexed as **Annexure-I**).
14. As required under Regulation 9 of the Voluntary Liquidation Regulations, the Liquidator submitted its preliminary report to the members of the Company on **17.01.2023**. Liquidator submitted that as per books of records the Company has total assets having

realizable value for the amount of Rs. 132.96 Lakh, and total liabilities to be paid of Rs. 6.63 Lakh, thereby there is net amount available for distribution to the stakeholders. However total assets realized was to the tune of Rs. 136.14 Lakhs including income tax refund received from Income Tax Department and total liabilities including payment of Income Tax and the Liquidation Cost paid was of Rs. 7.91 Lakhs. It is apposite to mention that since there were no physical/tangible Assets as per audited financial statements for last two years and also as per declaration of solvency, only financial assets which were to be realized at par, hence, there were no need to appoint any valuer to determine value of financial assets of the Company.

- 15.** Final Report dated **22.12.2023** (annexed as **Annexure N**) as per Regulation 38 of the Voluntary Liquidation Regulations has been submitted by the liquidator to the ROC on **23.01.2024**. Relevant part of the final report is extracted below:

It is hereby stated that-

- (a) There were no fixed assets on the date of commencement of voluntary liquidation. Hence no public auction was required. The proceeds and realisations from other assets were deposited in above said bank account.
- (b) Creditors of the corporate person as on the commencement of voluntary liquidation were Nil.
- (c) No litigation is pending against the corporate person.

- 16.** Further, the Liquidator in its application has submitted the tabular chart of brief of activities done in voluntary liquidation along with amount realized and distributed which is extracted below:

**BRIEF OF ACTIVITIES DONE IN VOLUNTARY LIQUIDATION
ALONG WITH AMOUNT REALISED AND DISTRIBUTED**

S No.	Compliance	(Yes / No)	Reference
(1)	(2)	(3)	(4)

1.	(Sec. 59(3)(a) read with Regulation 3(4)) <i>Declaration by way of an Affidavit from majority of the Directors to be filed.</i>	Yes	Annexure – B, Paragraph – 5
2.	(Sec. 59(3)(b)(i)) <i>Audited Financial Statements and record of business operations for the previous two years to be filed.</i>	Yes	Annexure – B, Paragraph – 5
3.	(Sec. 59(3)(b)(ii)) <i>Valuation Report to be filed.</i>	No	Annexure – K, Paragraph – 16
4.	(Sec. 59(3)(c)(i)) <i>Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a).</i>	Yes	Annexure – D, Paragraph – 7
5.	(Proviso to Sec. 59(3)(c)) <i>Approval of Resolution passed under Section 59(3)(c) by creditors (2/3rd in value) if any, within 7 days from the date of Resolution.</i>	No	Paragraph – 13 and Paragraph – 17
6.	(Sec. 59(4)) <i>Intimation to RoC & IBBI within 7 days from the date of the Resolution under 59(3)(c) or after approval of the creditors</i>	Yes	Annexure – F, Paragraph – 9 And Annexure – E, Paragraph – 8
7.	(Regulation 14) <i>Proof of Public Announcement made in 'Form - A' within 5 days from the date of appointment</i>	Yes	Annexure – E, Paragraph – 8

8.	(Regulation 30) <i>List of Stakeholders in case of claims under Chapter V of the Regulations</i>	Yes	Paragraph – 13 and Paragraph 14
9.	(Regulation 9) <i>'Preliminary Report' along with proof of submission of the same to the Company within 45 days from the LCD</i>	Yes	Annexure – J, Paragraph – 15
10.	(Regulation 34) <i>Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank</i>	Yes	Annexure – I, Paragraph – 12
11.	<i>Proof of Closure of the above Bank Account and any other account in the name of the Company</i>	Yes	Annexure – I, Paragraph – 12
12.	(Regulation 35) <i>Proof of distribution within thirty days</i>	Yes	Annexure – N, Paragraph – 19

	<i>from the receipt of realization</i>		
13.	(Regulation 37) <i>Completion of liquidation process within twelve months from LCD</i>	No	Annexure – L, Paragraph – 17 read with Annexure- S Paragraph- 24
14.	(Regulation 37) <i>Annual Status Report prepared (if any)</i>	Yes	Annexure – M, Paragraph – 18
15.	(Regulation 38) <i>'Final Report' along with proof of submission of the same to RoC & IBBI</i>	Yes	Annexure – N, Paragraph – 19, Annexure – O, Paragraph – 20, Annexure – Q, Paragraph – 22

16. REALISATION:

Sl. No.	Particulars	Amount (Rs)
(1)	(2)	(3)
1	Sale of Assets-Realizations from Unsecured Loan	88,94,866.00
2	Refund from Statutory Authorities	8,11,358.00
3	Cash / Bank balance	39,07,486.53
4	Realization of uncalled/unpaid capital contribution	0.00
5	Distribution of unsold asset	0.00
6	Any other (Please specify)	0.00
	Total	1,36,13,710.53

17. DISTRIBUTION:

Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest	0.00	0.00	0.00	0.00	
2	Liquidation Cost [Sec. 53(1)(a)]	4,22,250.53	4,22,250.53	4,22,250.53	100%	Including Bank Charges of Rs.1,109.78
3	Workmen's Dues [Sec. 53(1)(b)(i)]	0.00	0.00	0.00	0.00	

4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	0.00	0.00	0.00	0.00	
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	0.00	0.00	0.00	0.00	
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	0.00	0.00	0.00	0.00	
7	Government Dues +Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]	3,69,320.00	3,69,320.00	3,69,320.00	100%	
8	Any remaining Debts and Dues [Sec.53(1)(f)]	0.00	0.00	0.00	0.00	
9	Preference Shareholders [Sec.53(1)(g)]	0.00	0.00	0.00	0.00	
10	Equity Shareholders[Sec. 53(1)(h)]	1,28,22,140.00	1,28,22,140.00	1,28,22,140.00	100%	

ANALYSIS AND FINDINGS:

- i.** We have heard the submissions made by the Applicant Company and also perused the records. From a bare perusal, it is seen that the Liquidator after his appointment has duly performed his duties and done the necessary formalities to complete the Voluntary Liquidation process of the Applicant Company.
- ii.** Further, no adverse comments have been received from any statutory authority or from public at large against such dissolution of the Company, 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 Voluntary Liquidation was duly communicated to the Registrar of Companies, NCT of Delhi & Haryana as per Form MGT-14 and Form GNL-2 filed with the Registrar of Companies, NCT of Delhi and Haryana and the same are also reported to have been approved.
- iii.** As far as the report from Income Tax Department is concerned, during the hearing on 27.02.2024, it is stated by the Liquidator that *an assessment of the matter* has already been done last year and there is only a meagre amount which has already been paid.
- iv.** Notice to ROC was issued on 27.02.2024. ROC has filed its report dated 09.04.2024 which has been placed on record.
- v.** On hearing the submissions made by the Ld. Counsel for the Liquidator and after perusing the documents annexed to the application, it appears that the affairs of the Company have been completely wound up and its assets have been completely liquidated. No liabilities have been left unsatisfied. We are satisfied from the documents on record that the voluntary liquidation is not with the intent to defraud any person.

ORDER

- i.** In view of the above facts and circumstances, **we are inclined to pass orders for dissolution of the Company, M/s Pinkcity Electronics Private Limited** and it is ordered that the company **M/s M/S Pinkcity Electronics Private Limited** stands **DISSOLVED**.
- ii.** The Liquidator of the Company is further directed to serve a copy of this order upon the Registrar of Companies (RoC), Delhi, immediately and, in any case, within fourteen days of receipt of this order. The RoC shall take further necessary action upon receipt of a copy of this order.
- iii.** The liquidator is also directed to preserve a physical or electronic copy of the records, reports, registers and books of accounts referred to in Regulation 41 of the Voluntary Liquidation Process Regulations for at least 8 years either with himself or with an information utility.
- iv.** The Company Petition bearing **CP (IB) No. 100/PB/2024** is **ALLOWED and DISPOSED OF** with the above directions.
- v.** The Registry is directed to send e-mail copies of the order forthwith to the Company represented by its Liquidator and its Ld. Counsel for taking further necessary steps.
- vi.** Certified copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

File be consigned to the record storage (final).

Sd/-
RAMALINGAM SUDHAKAR
(PRESIDENT)

Sd/-
AVINASH K. SRIVASTAVA
MEMBER, (TECHNICAL)