



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

Casebook Issue

10:

Voluntary Liquidation
of Goal India
Foundation Private
Limited

**INSOLVENCY
UNCOVERED**

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About Goal India Foundation¹

Goal India Foundation is an unlisted Private Limited Company incorporated on 19th January 2015. It is a Non-government company having its registered under the Registrar of Companies, Delhi and is categorized under not for profit company.

Mr. Jitendra Kumar Jain and Mr. Rajesh Kumar Pal were the two directors of the company. Having its registered address as G-47, Ground Floor, Green Park, Main New Delhi, South Delhi-110016. Its authorised Capital is Rs. 100000/- and paid up capital is Rs.100000/-.

The company was focused on charitable objectives to serve the mankind in areas like humanitarian work, health, education to the under-privileged and child protection in India.

Major Financial Creditors/Bankers²

The directors of the Goal India Foundation did not have any credit exposure from any of the Banks. The company was run by its own generated revenue.

Voluntary Liquidation of Goal India Foundation

Board of Directors file the initiation of Voluntary Liquidation application³.

Chapter V of the Code describes about the Voluntary Liquidation of Corporate Persons.

Section 59 (1) states a corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate Voluntary Liquidation proceedings under the provisions of Chapter V.

Since the Company had not committed any default therefore on 7th of August, 2017, a draft declaration was duly signed and verified proposing for initiation of Voluntary Liquidation.

As per stipulation under Section 59 (3) (b) (i) the draft letter was supplemented with Annual Reports of the two previous years 2015-16 and 2016-17. As the Company did not possess any asset therefore a similar declaration was made by the directors as per stipulations under section 59 (3) (b) (ii). Under such circumstances, therefore no Valuer was required to be appointed and no valuation report was also required.

Appointment of Mr. Ashok Kumar Gupta as Liquidator⁴:

As per Section 59(3) (c) within four weeks of declaration under Section 59 (3) (a) wherein a declaration from majority of the directors give their consent to initiation of Voluntary Liquidation, the Liquidator needs to be appointed in a special meeting/general meeting and pass resolution. Thus, on 18th August, 2017 an extra ordinary general meeting was arranged and a special resolution was passed to voluntarily liquidate the company and Mr. Ashok Mumar Gupta, Insolvency Professional, was appointed for the same.

No Committee of Creditors⁵

As the Company did not have credit exposure with any Bank therefore the Committee of Creditors could / was not constituted, making the task simpler for the Liquidator, because approval from the CoC was no more a pre-requisite.

Public Announcement⁶

Mr. Ashok Kumar Gupta made a public announcement in Form A of the schedule and within 30 days of commencement of liquidation from 18th August 2017 and informed Insolvency and Bankruptcy Board of India (IBBI) about the same.

Commencement of Liquidation⁷

Mr. Ashok Kumar Gupta submitted his preliminary report to the shareholders on 25th September 2017, within 45 days of initiation of Voluntary Liquidation. Income Tax Office was also informed about the initiated process of Voluntary Liquidation and all necessary documents and information was submitted by the company to maintain a clean and proper compliance.

No Bank Account for Liquidation⁸

The Company Goal India Foundation was maintaining two current accounts one with Axis Bank and another with Standard Chartered Bank. Both these accounts were closed down in the FY 2016-17 and after 31st March 2017, no transactions through banks were done. The Liquidator was also not required to open any bank account because the company did not possess any cash .

No Claims were received⁹

The Liquidator Mr. Ashok Kumar Gupta did not receive any claims from any creditors or stakeholders and thus under Regulation 31-33 and 35, in absence of asset, claims or debts ,Voluntary Liquidation could be proceeded with.


Liquidation Orders¹⁰


The Final Report was drafted on 21st February, 2018 and was submitted to Registrar of the Tribunal and IBBI and appealed for dissolution of the company. As all the requirements under Section 59 of the Code and as the application mentioned that the applicant has wound up all operations and its assets were nil as mentioned in Section 59 sub section (7) the Adjudicating Authority ordered for dissolution of the company with effect from 4th September 2018.

Concluding Notes


The company stands dissolved as on date and Ministry of Corporate Affairs (MCA) was intimated about its dissolution accordingly.


CIRP Timeline


- 
- 19th January 2015
 - Incorporation of Goal India Foundation.

- 
- 7th August 2017
 - Initiation of Voluntary Liquidation.

- 
- 18th August 2017
 - Appointment of Mr. Ashok Kumar Gupta as the Liquidator.

- 
- 25th September, 2017
 - Preliminary Report of Liquidation of Goal India Foundation.

- 
- 21st February, 2018
 - Submission of Final Report.

- 
- 4th September, 2018
 - Dissolution of Goal India Foundation.

Bibliography

¹<http://www.mca.gov.in/mcafoportal/company>

²<https://ibbi.gov.in/uploads/order>

³Insolvency and Bankruptcy Code, 2016.

⁴<https://ibbi.gov.in/uploads/order>

⁵ <https://ibbi.gov.in/uploads/order>

⁶<https://ibbi.gov.in/uploads/order>

⁷<https://ibbi.gov.in/uploads/order>

⁸<https://ibbi.gov.in/uploads/order>

⁹<https://ibbi.gov.in/uploads/order>

¹⁰ <https://ibbi.gov.in/uploads/order>