

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **14.11.2024** THROUGH VIDEO CONFERENCE

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Application No :
Petition No : CP(IB)/195/CHE/2024
Name of Petitioner :
& Skava Systems Pvt Ltd
Name of Respondent :
Section : 59(7) of IBC, 2016

ORDER

Present: Mr. B.Sarath Babu, Ld. Counsel for Petitioner.

Vide separate order pronounced in Open Court, the Petition is allowed and the Company viz., Skava Systems Pvt Ltd is dissolved.

File be consigned to records.

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**[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)**

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**[SANJIV JAIN]
MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – I, CHENNAI

CP(IB)/195/(CHE)/2024

*(Filed under Sec. 59(7) of the Insolvency and Bankruptcy
Code, 2016)*

In the matter of *M/s. Skava Systems Private Limited*

Mr. Vinod Sunder Raman,
*Liquidator of Skava Systems Private Limited
(In Voluntary Liquidation)
CIN: U72200TZ2003PTC010618
B-703, Arvind Skylands, Shivanahalli,
Jakkur Main Road, Yelahanka, Bangalore 560064*

... *Petitioner*

Present:

For Petitioner : *B. Sarath Babu, Advocate.*

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

Order Pronounced on 14th November, 2024

ORDER

(Heard through hybrid mode)

This is a Company Petition filed by the Liquidator in relation to the voluntary liquidation of *M/s. Skava Systems Private Limited* with CIN: U72200TZ2003PTC010618, under Section 59(7) of the Insolvency

and Bankruptcy Code, 2016 (hereinafter referred to as “IBC, 2016”), seeking dissolution of the Company.

2. The Petitioner Company was incorporated on 16.01.2007 under the provisions of the Companies Act, 1956 with authorized share capital and issued share capital as follows.

| Particulars | Amount in INR |
|--|--------------------------|
| Authorized Share Capital: | |
| 50,000 Equity Shares of Rs.10/-each | 5,00,000 |
| Issued, Subscribed and paid up share capital: | |
| 25,000 Equity Shares of Rs.10/- each | 2,50,000 |

3. The objects of the Company were to engage in the business of:

1. To provide products and services to consumers and businesses focusing to the areas of computer software and hardware including reselling technology and products.

2. To design, develop, market, sell or resell, and provide marketing, installation, after sales service, annual maintenance contracts and other services for:

(a) automation packages for various industries and services;

(b) software solutions,

(c) multimedia and web based products,

(d) parallel processing machine,, artificial intelligence, objects oriented programming, application software, computer assisted software engineering, technology for various applications and

(e) database for various industrial / commercial purposes.

3. To carry on the business of manufacturers, producers, processors, repairers, assemblers, importers, exporters, traders, buyers, sellers, resellers, wholesalers; suppliers, indenters, packers, movers, stockists, agents, sub agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in computer, computer peripherals, floppy diskettes, mother boards, CD Rom, hard disk, drives, monitors, keyboards, printers, scanners, modems, mice, trackballs, digitizers, joysticks and laptops and all other computer and computer related hardware products and gadgets

4. To establish and carry on the services of an Internet service providers and offer Internet services and solutions

5. To undertake publication of technical magazines, modules, to conduct courses on a variety of operating software and hardware, system specialisation courses and to establish on-line dictionaries and font libraries.

6. To set up, provide and carry on latest, satellite telecommunication services in order to provide a communication gateway, a broadband access to satellites

The Memorandum of Association has been filed along with the Petition typed set.

4. It is stated that the Board of Directors of the Company in the meeting dated 10.10.2019 considered consolidation of operations of the Company with Infosys Limited (holding company) and gave in-principle approval to liquidate the Company subsequently. In the

meeting dated 17.08.2020, it approved entering into business transfer agreement with Infosys. A Board meeting was held on 11.01.2021 to pass a resolution for voluntary liquidation and the authorized majority of its directors to execute the declaration required under Section 59 of the Insolvency and Bankruptcy Code, 2016.

5. It is stated that on 08.03.2021, majority of the Board of Directors of the Company (i.e., two directors out of three), being Mr. Satish H C and Mr. Manikantha AGS executed a Declaration as required under Section 59(3) of the Code that the Company has no debts and that the Company will be able to pay its debts in full, from the proceeds of the assets to be sold in Voluntary Liquidation. The declaration is accompanied by the copy of the audited financial statements of the Company for the previous two financial years 2018-19 and 2019-20.

6. It is stated that the Extraordinary General Meeting of the Shareholders of the Company took place on 29.03.2021 where it was resolved to appoint the Petitioner herein to act as a liquidator for conducting voluntary liquidation process in relation to the Company under Section 59 of IBC, 2016.

7. It is stated that the Petitioner herein conducted the Voluntary Liquidation process in respect of the Company in accordance with the IBBI (Voluntary Liquidation Process) Regulations, 2017. The details of the relevant compliances as mandated under Section 59 of the IBC, 2016 read with the IBBI (Voluntary Liquidation Process) Regulations, 2017 are listed hereunder:-

| S.NO | COMPLIANCE | AVERMENTS | PAGE NO. IN THE PETITION |
|------|---------------------------------------|---|--------------------------------------|
| 1 | Sec. 59 (3) | Declaration made by the majority of directors of the Company in accordance Section 59(3)(a) | ANNEXURE A6 (PAGE NO 79 – 82) |
| 2 | Sec. 59 (3) | Audited Financial statements for the years 31.03.2019 and 31.03.2020. | ANNEXURE A7 (PAGE NO 83 – 151) |
| 3 | Sec 59 (3) (c) And Reg 3 (1)(c) | EGM dated 29.03.2021 approving the voluntary liquidation | ANNEXURE A10 (PAGE NO 157 – 159) |
| 4 | Section 59 (4) and Reg 3 (2) | Declaration of solvency filed with ROC in Form GNL-2 dated 08.03.2021. | ANNEXURE A8 (PAGE NO. 152 – 155) |
| 5 | Section 59 (4) and Reg 3 | Special Resolution for voluntary liquidation passed by shareholders in EGM vide Form MGT-14 dated 29.03.2021. | ANNEXURE A13 (PAGE NO. 163 – 167) |

| | | | |
|----|-----------------------------|---|---|
| 6 | Regulation 14 | Form A Public Announcement in The Hindu (English) dated and Daily Thanthi (Tamil) and IBBI website. | ANNEXURE A15 & A16 (PAGE NO. 170 – 173) |
| 7 | Section 178 of IT Act, 1961 | Intimation to the Income Tax Department dated 16.09.2021 | ANNEXURE A17 (PAGE NO. 174 – 180) |
| 8 | Reg 9 | Date of filing of preliminary report dated 21.02.2024. | ANNEXURE A22 (PAGE NO. 191 – 201) |
| 9 | Reg34 | Proof of closure of Liquidation Bank Account of Axis Bank, R.S Puram Branch. | ANNEXURE A27 (PAGE NO. 223-227) |
| 10 | Reg 37 | Status Report in the event of the voluntary liquidation continuing for more than one year | ANNEXURE A29, A30 & A31 (PAGE NO. 249-285) |
| 11 | Reg 38 | Filing Final report dated 29.08.2024. | ANNEXURE A1 (PAGE NO. 35 – 48) |
| 12 | Reg 38 | Final report in GNL-2 filed with the ROC | ANNEXURE A33 (PAGE NO. 288 – 291) |
| 13 | Reg 38 | Submission of Final Report to IBBI | ANNEXURE A33 (PAGE NO. 287) |
| 1 | Reg 38 | Form-H – Compliance certificate dated 29.08.2024 | ANNEXURE A33 (PAGE NO. 292 – 298) |

8. It is stated that the assets of the Company were in the form of Bank Balance, Fixed Deposit and Investment in Mutual Funds. Since,

the valuation of the mutual funds was easily ascertainable from the relevant Fund House, no separate valuation report was obtained by the Company. Hence, the valuation report to be issued by the Registered valuer as per Section 59(3)(b)(ii) of IBC, 2016 is not submitted.

9. It is stated that the Petitioner did not open a separate Bank Account. The Company was maintaining two Bank accounts with Axis Bank. One Bank account was closed by transferring the Balance to the other Bank account. The second account with account number 563010200002646 was renamed and titled, 'Skava Systems Private Limited in Voluntary Liquidation' in terms of Regulation 34 of the Regulations and the Liquidator was made the Authorised Signatory.

10. It is stated that tax proceedings were going on during the liquidation period. Since the proceedings were continuing and there was no indication regarding the time of completion, the liquidator in consultation with the contributory (Holding Company) decided that all the pending demands will be paid, under protest, and the proceedings will be pursued by the holding company. As such all the

demands were paid and a letter dated 07.03.2023 was sent to the jurisdictional Assessing Officer in this regard stating that if the claims of the Company are accepted, the same would be refunded to the sole shareholder of the Company, Infosys Limited and any further payment due will be paid by the Holding Company. The letter dated 07.03.2023 is annexed as Annexure 20 in the typed set of the petition.

11. It is stated NOC sought by the Liquidator was not given by the Income Tax Department. However, as per Circular No. IBBI/LIQ/45/2021 dated November 15, 2021 issued by the Insolvency and Bankruptcy Board of India (IBBI) the Liquidators in a voluntary liquidation process need not seek any No Objection / No Dues Certificate from the Income Tax Department.

12. It is stated that during the course of Liquidation, the Employee Provident Fund Organisation conducted an inspection of the Company on 28.12.2022 and sought for various details. The same were furnished vide letter dated 11.01.2023. Subsequently, no adverse report or any objections were raised by EPFO and minor payments required were made and challan was furnished.

13. It is stated that the Employee State Insurance Corporation (Sub Regional Office) department had sought details regarding closure of company/factory/unit vide their letter dated 28.04.2021 and the details were furnished to them. There has been no follow up or objections from the ESI department thereafter.

14. The liquidation commenced on 29.03.2021. The liquidation period was not completed within a period of one year as per Regulation 37(1) of the IBBI (Voluntary Liquidation Process) Regulations, 2017. As per the 1st status report for the period 29.03.2021 to 28.03.2022, the reason for such delay in completion of the liquidation was pendency of tax appeals. As per the 2nd status report for the period 29.03.2022 to 28.03.2023, the surplus on redemption of investment in mutual funds will be distributed to the sole shareholder of the Company and subsequently, the final reports will be filed with IBBI and RoC. As per the 3rd status report for the period 29.03.2023 to 28.03.2024, the liquidation could not be completed on time due to pendency of bank account closure process with Axis Bank. The Applicant has submitted the audited financial statements for the liquidated period along with the status reports as per Regulation 37(3)

of the IBBI (Voluntary Liquidation Process) Regulations, 2017. The status reports are filed as Annexure 29, 30 and 31 of the Petition typed set.

15. The realization from the voluntary liquidation process as stated in the Petition is as follows:-

| Sl. No. | Particulars | Amount (Rs) |
|----------------|---|--|
| (1) | (2) | (3) |
| 1 | Sale of Assets | 82,60,82,747.75 (redemption of mutual fund) |
| 2 | Refund from Statutory Authorities | Nil |
| 3 | Cash / Bank balance | Rs. 24,45,479 |
| 4 | Realisation of uncalled/unpaid capital contribution | Nil |
| 5 | Distribution of unsold asset | Nil |
| 6 | Any other (Please specify) | Rs. 1,96,354.00 (Miscellaneous receipt wrongly credited and returned) |
| Total | | Rs. 82,87,24,580.75 |

16. It is stated that, after making various payments including liquidation costs paid in full as per the provisions of Section 53(1) of IBC, 2016, the Liquidator distributed the funds among the shareholders as detailed below:

Amount in Rs Lakhs

| 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 [Sec. 52(1)(b)] | Nil | Nil | Nil | Nil | |
| 2 | Liquidation Cost [Sec. 53(1)(a)] | 19.78 | 19.78 | 19.78 | 100% | |
| 3 | Workmen's Dues [Sec. 53(1)(b)(i)] | Nil | Nil | Nil | Nil | |
| 4 | Debts of Secured Creditors [Sec. 53(1)(b) (ii)] | Nil | Nil | Nil | Nil | |
| 5 | Wages and Unpaid Dues to Employees [Sec. 53(1)(c)] | Nil | Nil | Nil | Nil | |
| 6 | Debts of Unsecured Financial Creditors [Sec. 53(1)(d)] | Nil | Nil | Nil | Nil | |
| 7 | Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)] | 323.49 | 323.49 | 323.49 | 100% | |
| 8 | Any remaining Debts and Dues [Sec. 53(1)(f)] | Nil | 2.94 | 2.94 | 100% | |

| Sl. No. | Stakeholders* under section 52 and 53 (1) | Amount Claimed | Amount Admitted | Amount Distributed | Amount Distributed to the Amount Claimed (%) | Remarks |
|--------------|---|----------------|-----------------|--------------------|--|----------------------|
| 9 | Preference Shareholders [Sec. 53(1)(g)] | Nil | Nil | Nil | Nil | |
| 10 | Equity Shareholders [Sec.53(1)(h)] | Nil | Nil | 7,941.03 | 317641.30 % | % to paid up capital |
| TOTAL | | 1318.4 | 1318.4 | 2587.47 | 196.258% | |

17. Thus, on considering the submissions made by the Learned Counsel for the Petitioner and after perusing the documents annexed to the Petition, we find that the affairs of the Company have been completely wound up and the assets of the Petitioner Company have been completely liquidated. As such the Petitioner Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we order for the dissolution of *Skava Systems Private Limited*. The Petitioner Company shall stand dissolved from the date of this order. The Company Petition is accordingly **allowed**.

18. The *Registry* and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, concerned, and also to IBBI, within 14 days from the date of this Order.

19. File be consigned to records.

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VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

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SANJIV JAIN
MEMBER (JUDICIAL)

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