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Sl No. 132

IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH

C.P. (IB)No.111/BB/2018  
U/s. 10 of the IBC, 2016  
R/w. Rule 7 of I&B (AAA) Rules, 2016

**And**

I.A. No.687/2019  
U/s. 54 of the IBC, 2016  
R/w. Regulation 14 of IBBI  
(Liquidation Process) Regulations, 2016

**In the matter of:**

M/s. Balodis Technologies Private Limited  
(in Liquidation)  
Rep. by Ms. Srilakshmi Purushotham,  
Liquidator

R/o. J.K.Ashwathilakshmi Heritage,  
No.777, 4<sup>th</sup> Block Soft Main Road,  
Koramangala,  
Bengaluru - 560 034.

- Applicant/Corporate Debtor

**Date of Order: 31<sup>st</sup> January, 2020**

**Coram:** 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)  
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

**Counsel/Parties Present:**

For the Liquidator : Ms. Srilakshmi Purushotham

**ORDER**

**Per:** Rajeswara Rao Vittanala, Member (J)

1. I.A.No.687/2019 in C.P.(IB)No.111/BB/2018 is filed by M/s. Balodis Technologies Private Limited (Applicant), under Section 54 of the IBC, 2016, R/w. Regulation 14 of the IBBI (Liquidation Process) Regulations 2016, by inter-alia seeking to



dissolution of the Applicant Company, as per extant provisions of the Code, in terms of the decision taken by the Committee of Creditors, at their meeting held on 21<sup>st</sup> December, 2019 etc.

2. Brief facts of the case, as mentioned in the Application, which are relevant to the issue in question, are as under:

- (1) Initially, C.P.(IB)No.111/BB/2018 filed by M/s. Balodis Technologies Private Limited was admitted by this Adjudicating Authority, vide order dated 28.05.2019, by initiating CIRP, appointing Ms. Srilakshmi Purushotham, as IRP, imposing moratorium etc. Accordingly, the IRP had been discharging all the duties as per the Code. As per Section 12 of the Code, the time limit for completion of CIRP expires of 24<sup>th</sup> November, 2019. At 1<sup>st</sup> CoC meeting held on 15<sup>th</sup> July, 2019, the Committee has appointed the IRP as RP, in terms of Section 22(3) (a) of the Code, and for filing IA under Section 33(2) of IBC, for liquidation of the Corporate Debtor. The Resolution Professional was appointed as Liquidator by this Adjudicating Authority on 15<sup>th</sup> November, 2019. Subsequently, an Interlocutory Application is submitted for the dissolution of the Company as the assets are less than the liabilities.
- (2) After verifying the books of accounts, records, documents and the circumstances around the business as on 26.12.2019, and it is opined that the Corporate Debtor is to be dissolved under Section 54 of the Code as the Company does not have any assets in the books to settle the claims that are remaining after the settlement using current assets available.
- (3) The following is status of the Income Tax returns pending to be received:



- i. 2017-18: Amount pending to be received is Rs.14,99,812/- for this year there is a technical issue with respect to filing the return of Income. They had coordinated with the income tax authorities to enable the option for filing return of income. The approval from CIT to file belated returns is yet to be received and hence the return for such refund has not be filed. In light of the same, the refund would not be processed by the income tax authorities
- ii. 2018-19: Amount pending to be received is Rs. 2,49,464/-. Refund is yet to be processed and the processing rights are with the Centralized Processing Centre (CPC). We are regularly coordinating with CPC to process the returns. The issue at hand for this year is that the Company had not filed Tax Audit Report. Hence, the refund is would not be processed immediately, and multiple follow ups have to be done to enable us to file the tax audit report and thereafter follow up for the refund. In the give scenario of the prudence to wind up the Company, receiving income tax refund in the next few months is a near impossibility.
- iii. In view of the aforementioned reasons of non-compliance, the refund would not be processed anytime during the near future, and it would not be meaningful to wait for the company gone under the regular route of filing the return of income in time, the refund could probably have been received by the company. The possibility, hence, is extremely sparse.
- (4) It is submitted that the Company also has TDS liability payable in the books and even if a situation arises where the authorities would allow for the return of income to be



filed, the dues would certainly be set off against the liabilities. The default of TDS is as follows:

Sl. No.	Particulars	Applicable provisions under the Income Tax Act, 1961	Amount noted up to July 2017
1	TDS on contracts	194 C	1826215.40
2	TDS on professional	194 J	259117.00
3	TDS on rent	194I	136800.00
4	TDS on salary	192B	1359163.00

(5) Since the Company would not have any amounts that can be recovered and paid to the creditors, the Bank Account would be closed in accordance with the IBC Regulations. The total Debtors that has been written off evidenced as INR 48,85,279 was done due to bad delivery of services and not meeting the milestones that were required for delivery. The management of the deliverables was also not clearly done by the Company and has resulted in the Debtors being written off. The Company has not exercised due care and caution in the service deliveries.

(6) The statement of affairs of the Company, as on 26<sup>th</sup> December, 2019 is as follows:

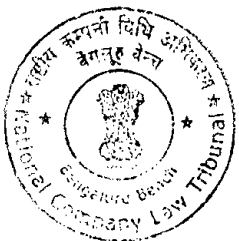
Particulars	Notes	Amount (in Rs.)
<b>Assets</b>		
Fixed Assets		NIL
Current Assets		
Liquidators Account		10,67,616.85
Profit & Loss Account		10,21,53,257.37
<b>Total</b>		103,220,874.22
<b>Liabilities</b>		
Capital Account		
Equity Share Capital	1,02,859.00	



Preference Share Capital	6,75,740.00	
Share Premium	10,24,42,275.22	10,32,20,874.22
Liquidator fee, and expense payable as per statement		4,48,986.85
Operational Creditors, as per Register of Claims		41,95,471.69
<b>Total</b>		<b>10,78,65,332.76</b>
<b>Excess of liabilities over assets</b>		<b>46,44,458.54</b>

3. Heard Ms. Srilakshmi Purushotham, learned Liquidator. We have carefully perused the pleadings of the party along with extant provisions of the Code and the Rules made there under.
4. Ms. Srilakshmi Purushotham, the Liquidator has filed memo dated 24.01.2020, by inter-alia stating the total amount available in Liquidator Account is Rs.10,67,616.85/-, which would be repaid as follows:

Name	Particulars	Payments	Proportion
Fees to IRP	Payment of fee to IRP (from the time of commencement of the assignment)	25,000.00	--
Fees to RP	Payment of fee to RP (from the time of commencement of the assignment)	1,00,000.00	--
Liquidator fees	Payment of fee to liquidator (from the time of commencement of the assignments.	1,75,000.00	--
Liquidator Expenses	Payment of liquidator expenses (incurred	148,986.85	--



	for public announcements done at two stages and conducting 2 CoC meetings.		
<b>Settlement to Debtors</b>			
DTDC	Settlement amount to Operational Creditor	380,922.10	35.68
Payless	Settlement amount to Operational Creditor	199,858.41	18.72
HSJ	Settlement amount to Operational Creditor	19,219.48	1.80
Contingency expenses	Fund kept on contingency	18,630.00	--
	Total	10,67,616.84	

Accordingly, the dissolution process, as per the Section 54 of the IBC, and on receipt of an Order of Dissolution from the Tribunal, they shall also file a copy of the Order of Dissolution with the Bank to close the Current Account of the Corporate Debtor as well as with the regulating authority.

5. As detailed supra, the learned Liquidator has complied with all conditions and procedural requirements as specified under various provisions of Section 54 of the Insolvency & Bankruptcy Code, 2016 for dissolution of the Corporate Debtor. Therefore, it would be just and proper to dissolve the Company under provisions of Section 54 of the Code.
6. In view of the above facts and circumstances of the case, we are of the considered opinion that the Liquidator has followed due process of law, and thus affairs of the Company were



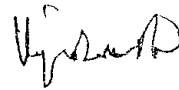
completely wound up, and its assets were completely liquidated except to close Liquidator Account, which will be closed after passing order by the Adjudicating Authority in the instant case. Therefore, the instant Petition/Application deserves to be allowed as prayed for.

7. In the result, by exercising powers conferred on the Adjudicating Authority, under Section 54 of the Code, C.P(IB)No.111/BB/2018 and I.A.No.687/2019 are hereby disposed of with the following directions:

- (1) It is hereby dissolved the Applicant Company, M/s. Balodis Technologies Private Limited with immediate effect;
- (2) The Liquidator is permitted to submit a copy of this Order with the Bank to close the Liquidation Account, as stated in para 4 above, in terms of her Memo dated 24.01.2020. And the Bank is directed to take appropriate action, after producing a copy of this order.
- (3) The Registry is directed to forward a copy of this Order to the Registrar of Companies, Karnataka, Bangalore, within a period of two weeks from today;
- (4) The learned Liquidator is also directed to forward copies of this Order to all other statutory authorities connected with the affairs of the Company.

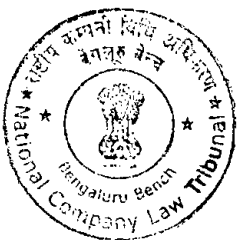


**ASHUTOSH CHANDRA  
MEMBER, TECHNICAL**



**RAJESWARA RAO VITTANALA  
MEMBER, JUDICIAL**

Shruthi



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Deputy Registrar  
National Company Law Tribunal  
Bengaluru Bench

*Rajeswara M*

4/2/2020