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IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

I.A. No.169 of 2019 in
C.P. (IB) No.13/BB/2018
U/s 54(1) of IBC, 2016 and
Rule 32 and 11 of NCLT Rules, 2016

And

C.P. (IB) No.13/BB/2018
U/s 7 of IBC, 2016
R/w Rule 4 of I&B(AAA) Rules, 2016

In the matter of:

Ms. Medha Kulkarni
Resolution Professional of
M/s. Notion Ink Design Labs Pvt. Ltd.
(in Liquidation)
No.207, 2nd Main Road,
Amarjyothi Layout, Domlur,
Bengaluru - 560 071.

- Applicant/
Resolution Professional

Versus

M/s. Technology Development Board
Department of Science & Technology
Ministry of Science & Technology
Wing-A, Ground Floor, Vishwakarma Bhawan,
Shaheed Jeet Singh Marg,
New Delhi - 110 016.

- Applicant/Financial Creditor

M/s. Notion Ink Design Labs Pvt. Ltd.
No.207, 2nd Main Road,
Amarjyothi Layout, Domlur Extension,
Bengaluru - 560 071.

- Respondent/Corporate Debtor

Date of Order: 09th May, 2019

Coram: Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)



Page 1 of 8

Parties/Counsels Present:

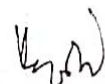
For the Applicant/RP : Ms. Medha Kulkarni, Liquidator

ORDER

Rajeswara Rao Vittanala, Member (J)

1. I.A. No.169 of 2019 in C.P. (IB) No.13/BB/2018 is filed by Ms. Medha Kulkarni, Resolution Professional ('Applicant/RP') of M/s. Notion Ink Design Labs Private Limited ('Respondent/Corporate Debtor') under Section 54(1) of the IBC, 2016 and Rule 32 and 11 of the NCLT Rules, 2016, by *inter alia* seeking to pass dissolution order for the Corporate Debtor i.e. M/s. Notion Ink Design Labs Pvt. Ltd.; to accept Audited Financial Statements till date of Liquidation and Final Receipt and Payment post Liquidation and pass dissolution order for this Corporate Debtor; to direct surrender of GST Registration, PAN, TAN and PT registrations to the respective authorities to avoid ongoing compliance requirements, to direct ROC Bangalore to strike off the name of the Company from Register of Companies, etc.
2. Brief facts of the case, as mentioned in the Company Petition, are as follows:
 - (1) Initially, C.P. (IB) No.13/BB/2018 is filed by M/s. Technology Development Board, Department of Science & Technology ('Applicant/Financial Creditor') under Section 7 of the IBC, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by *inter alia* seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Notion Ink Design Labs Private Limited ('Respondent /Corporate Debtor') for committing default for a total outstanding of Rs.7,90,36,467/- (Rupees Seven Crore Ninety Lakh Thirty Six




Page 2 of 8

Thousand Four Hundred and Sixty Seven Only) as on 30.11.2017.

- (2) Accordingly, the Tribunal by an order dated 24th April, 2018 admitted C.P. No.13/BB/2018 by initiating CIRP by appointing Ms.Medha Kulkarni bearing Registration No.IBBI/IPA-001/IP-P00121/ 2017-18/10263 as Interim Resolution Professional (IRP) in respect of the Corporate Debtor M/s.Notion Ink Design Labs Private Limited and imposed moratorium, etc.
- (3) In pursuant to the admission of the case, a public announcement was given on 01st May, 2018 in English Daily 'Deccan Chronicle' and Kannada Daily 'Hosa Digantha' inviting proof of claims from Creditors. However, no claims were received in response to the public announcement.
- (4) Subsequently, the existing IRP Ms.Medha Kulkarni was confirmed as Resolution Professional (RP) vide communication dated 11th June, 2018, communicated by M/s.Technology Development Board.
- (5) When there was no viable resolution plan received from anybody, the Resolution Professional preferred an I.A. No.417 of 2018 under Section 33(2) of the Code seeking an order for Liquidation of the Corporate Debtor. Accordingly, the Tribunal has passed an order for liquidation vide order dated 09th January, 2019 in I.A. No.417 of 2018, by appointing Ms.Medha Kulkarni, the existing Resolution Professional, as Liquidator. Accordingly, the Liquidator, as per Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016, has caused a public announcement in Form-B on 12th January, 2019, one in English Daily 'Deccan Chronicle' and another in Kannada Daily inviting proof of claims from stakeholders on or before 08.02.2019. However, no claims



- were received from any Operational Creditor except claim received from Financial Creditor i.e. M/s. Technology Development Board.
- (6) During the liquidation, it was found that the Corporate Debtor Company does not have any assets or revenue or employees. Even the premises occupied by the Company was vacated to avoid payment of rent and electricity cost. She has communicated ROC and other regulatory stakeholders about Liquidation order and that there is no litigation against the Corporate Debtor. The Income Tax Authorities have been communicated and there is no response to the communication. She has communicated to bankers to consolidate bank balances in Liquidator account.
- (7) The Learned Liquidator has submitted the following details from the Audited Financial Statement till the date of Liquidation:
- Long term borrowing is the loan from only Financial Creditor – Technology Development Board;
 - Trade payables are payments due to Accounting and Company Secretarial services which is paid out of proceeds of Inventory subsequently;
 - Other current liabilities are interest accrued on long term borrowing. There are no fixed assets. Other intangible assets were Capital Work in Progress which is written off that there is no economic benefits expected from these intangible assets'
 - Inventory of Rs.31,000/- is subsequently sold through e-auction. Short term loans and advances are Tax Deducted at Source and Customs duty refund which is receivable from Government.
- (8) As per Regulation 6 of the IBBI (Liquidation Process) Regulations, 2016, the Liquidator has prepared Liquidator Final Statement of Receipts & Payments (Cash and Bank Book) till date and have these Statement audited by Statutory Auditor, which are given hereunder:



W.D

CASH AND BANK BOOK										
Medha Kulkarni Resolution Professional Notion Ink Design Labs Pvt. Ltd.										
Date	Particulars	RECEIPTS			PAYMENTS			BALANCE		
		Cash	Bank	Total	Cash	Bank	Total	Cash	Bank	Total
1	2	5	6	7	9	10	11	12	13	14
01-Feb-19	Cash Deposit		64000							
05-Feb-19	Publishing Public Announcement In Newspaper					23500			40500	40500
12-Feb-19	Bank Charges-DD					35.4			40464.6	40464.6
12-Feb-19	Filing Charges-IA for allowing Private Sale					1000			39464.6	39464.6
22-Feb-19	Debtors Receipt		2124						41588.6	41588.6
25-Feb-19	Bank Charges-DD					35.4			41553.2	41553.2
25-Feb-19	Filing Charges-IA for early dissolution					1000			40553.2	40553.2
25-Feb-19	Cash withdrawal	1000				1000		1000	39553.2	40553.2
24-Feb-19	Sale of Inventory		32550					1000	72103.2	73103.2
25-Feb-19	Fees for Registered Valuer					3000		1000	69103.2	70103.2
25-Feb-19	Cash Spend – for Affidavit, Stamp paper and filing @ NCLT				1000			0	69103.2	69103.2
13-Mar-19	E-auction Expenses – Paid by chq to Linkstar Infosys Pvt. Ltd.					4720		0	64383.2	64383.2
16-Mar-19	Courier Expenses - Paid to UPS Express					3600		0	60783.2	60783.2
19-Mar	Courier Expenses - Paid to Fedex Express					2970		0	57813.2	57813.2

3. The learned Liquidator has also filed an Affidavit dated 26.02.2019, by inter alia declaring as follows:

(1) "Bank Balances as on 25th February, 2019 of Corporation Bank – Notion Ink Design Labs Pvt. Ltd (in Liquidation) is INR 41588.60.

(2) Statement of estimated Costs:

Sr. No.	Services	Estimated Costs (INR)
1.	Accounting Professional supporting book keeping and filing GST returns	20000+GST
2.	Audit of Financial Statement along with Liquidators Final Statement of Account	20000+GST
3.	Liquidator's Fee	100000 per month
4.	NCLT Filing Cost – DD and Affidavits	5000



Page 5 of 8

- (3) All the assets were sold and premises were vacated from 1st March to save Rent and Electricity cost.
- (4) There are no claims received except for one Unsecured Financial Creditor - Technology Development Board. Claim Admitted - INR 77124927. Claim under verification for additional interest on Principal - INR 12810137.
- (5) Communication of commencement of Liquidation is sent to Government Authorities namely Registrar of Companies, Income Tax authorities, Service Tax and other authorities.
- (6) The realizable properties of the Corporate Debtor are insufficient to cover the cost of the liquidation process.
- (7) The affairs of the Corporate Debtor do not require further investigation.
- (8) Company is under Liquidation as the product idea was ahead of times and change in environment for popularizing smartphones more than tablets.
- (9) I reviewed transactions for last 2 years prior to the date of commencement of CIRP (Corporate Insolvency Resolution Process) and have found transaction as Preferential transaction u/s 43, undervalued u/s 45, extortionate transaction u/s 50 of Insolvency and Bankruptcy Code, 2016.
- (10) Cost of monitoring the company under liquidation shall be more, hence urge for early liquidation order."
4. Heard Ms.Medha Kulkarni, learned Liquidator. I have carefully considered the materials placed on record and extant provisions of the Code.
5. As per Regulation 14 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, if it appears to the Liquidator that-
- (1) the realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process; and




(2) the affairs of the corporate debtor do not require any further investigation;

he may apply to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

6. By perusal of the above pleadings of the learned Liquidator and also the various documents filed in support of the Petition, it is established that assets of the Corporate Debtor have been completely liquidated and nothing remains for any further adjudication or investigation into the affairs of the Corporate Debtor. 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 and also relevant Regulations of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, before seeking order for dissolution of the Corporate Debtor. Therefore, the Application deserves to be allowed as prayed for.
7. In the result, by exercising powers conferred on the Adjudicating Authority, under Section 54(2) of the Insolvency and Bankruptcy Code, 2016 R/w Regulation 14 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, both I.A. No.169 of 2019 & C.P. (IB) No.13/BB/2018 are disposed of with the following directions:




- (1) The Corporate Debtor namely **M/s.Notion Ink Design Labs Private Limited is hereby dissolved with immediate effect;**
- (2) 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;
- (3) The learned Liquidator is also directed to forward copies of this order to all authorities connected with the affairs of the Company.


(RAJESWARA RAO VITTANALA)
MEMBER, JUDICIAL

Krishna



CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL


Deputy/Asst. Registrar
National Company Law Tribunal
Bengaluru Bench

Sneapna.C