



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

CP(IB)/19(CHE)/2022

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

In the matter of *Sevenstrata IT Services Private Limited*

Ganesh P Pai

Regn No : IBBI/IPA-001/IP-P01313/2018-19/12054

Voluntary Liquidator of Sevenstrata IT Services Private Limited

Having office at

No 68.6B, 6th Floor, Chitrapur Bhavan,

8th Main, 15th Cross, Malleshwaram,

Bangalore-560055

... Applicant

Present:

Applicant : Mr. Ganesh P Pai, Liquidator

Order Pronounced on 17th November, 2023

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

ORDER

Per: VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

(Hearing Conducted through VC)

This is a Company Petition filed by the Liquidator of
Sevenstrata IT Services Private Limited with CIN:
U72300TN2007PTC064754 under Section 59(7) of the Insolvency and



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

2. The Applicant Company was incorporated on 30.08.2007 under the Companies Act, 1956 having its Registered Office at Anugraha, New No 28, Ground Floor, Murray’s Gate Road, Alwarpet, Chennai – 600 018 with Authorized Share Capital of Rs.5,00, 00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each. The Company was promoted with the objective of carrying business of providing Information Technology Infrastructure Management Services to its customers in India and abroad using own developed and maintained software, etc.

3. It is stated that in the year 2010, the company sold its software, fixed assets and business to Mind Tree Limited, Chennai under a Business Transfer Agreement for a total consideration of Rs.7,50,51,080/-. The transfer of fixed assets was completed on 30.04.2010. All the employees had resigned with effect from 30.04.2010.

4. It is stated that the company had filed an application before this Tribunal for reduction of share capital under Section 66(1) of



Companies Act 2013. This Tribunal vide its order dated 18.09.2019 approved the proposal of reduction of capital to Rs.9,79,660/- i.e. 97,666 equity shares of Rs.10 each from Rs. 4,89,83,040/- i.e. 48,98,034 equity shares of Rs. 10 each. It is stated that consequent to the sanction of capital reduction, the company repatriated funds of Rs.4,69,47,272/- in May 2020, to the parent holding company, Sevenstrata Inc.

5. It is stated that upon repatriation of funds and on account of closure of business, the Board of Directors in the meeting held on 25.11.2020, passed a Resolution for voluntary liquidation of the company under Section 59 of the IBC after satisfying that the company would be able to pay its debt in full from the proceeds of assets to be sold / appropriated in the Voluntary Liquidation, affirmed the declaration of Solvency as prescribed under Section 59(3) of IBC.

6. In the Extra-ordinary General Meeting held on 30.11.2020, shareholders approved the Voluntary Liquidation and to appoint the Applicant to act as the Liquidator to conduct the voluntary liquidation process of the Company.



7. The Applicant states that the Company has paid the dues of the creditors by 24.11.2020. Hence consent from creditors was not required. It is stated that the last date for submission of claim stipulated in public announcement was 30.12.2020.

8. It is stated that on 12.03.2021, Employees Provident Fund had submitted its claim for Rs.1,64,582/- as enclosed and marked as *Annexure-J* in the typeset. A copy of the Bank statement evidencing payment to the Employees Provident Fund is enclosed and marked as *Annexure-K*.

9. It is submitted that the Applicant has conducted the voluntary liquidation process in respect of the Company in accordance with the compliance of IBBI (Voluntary Process) Regulations, 2017. Details of relevant compliances as mandated under Section 59 of IBC r/w IBBI Regulations, 2017 are as below:

S.NO	COMPLIANCE	AVERMENTS	PAGE NO. IN THE APPLICATION
1	Sec. 59 (3)	Board Meeting dated 25.11.2020	53
2	Sec. 59 (3)	Audited Financial Statements for the period 2019-2020 and from 28 th Jan 2021 to 24 th Nov 2021	104-113



3	Sec 59 (3) (c) And Reg 3 (1)(c)	EGM dated 30.11.2020	25
4	Section 59 (4) and Reg 3 (2)	Declaration of solvency	61-64
5	Section 59 (4) and Reg 3	Special Resolution for voluntary liquidation vide form MGT-14	65-69
6	Regulation 14	Form-A Public Announcement in newspapers dated 03.12.2020 in "Trinity Mirror" (English) & "Makkal Kural" (Tamil)	74-76
7	Section 178 of IT Act, 1961	Intimation to Income Tax department and other statutory authorities on 24.12.2020	77-78
8	Reg 9	Filing of Preliminary Report dated 14.01.2021	94-98
9	Reg 34	Closure of liquidation bank account in HDFC Bank	99-100
10	Reg 38	Filing of Final Report dated 05.01.2022	114-121
11	Reg 38	Final Report in GNL-2 filed with the ROC	122-125
12	Reg 38	Submission of Final Report to IBBI on 05.01.2022	114-121
13	Reg 38	Form-H (Compliance Certificate)	SR 5238 dated 07.09.2022

10. It is stated that after satisfying all the liabilities and claims of the company under voluntary liquidation process, the company had no funds available to distribute to the members of the company. The receipts and payments are as under:



Sevenstrata IT Services Private Limited (Under Voluntary Liquidation)		
Receipts and Payments Account for the period from January 28, 2021 till November 17, 2021		
Particulars	Amount (Rs.)	Amount (Rs.)
Opening Bank Balance as at 28th January 2021		2,16,924.60
Receipts:		
Amount received from Mr. Krishnamurthy Ramanathan - Director		1,65,000.00
Total		3,81,924.60
Payments:		
Statutory Payments:		
TDS Payment	11,009.00	
Provident Fund	1,64,582.00	1,75,591.00
Amount paid to Mr. Ganesh P Pai towards Liquidation fees		1,96,274.60
Bank Charges		59.00
Audit fees		10,000.00
Total		3,81,924.60

In terms of our report attached
For G S Tigadi & Co
Chartered Accountants

For Sevenstrata IT Services Private Limited
(Under Voluntary Liquidation)

Chelva
Gadigeppa Shivanand Tigadi
M No. 221232
FRN: 018724S
Place: Bangalore
Date: November 17, 2021
UDIN: 21221232-AAAA BY 2676

Ganesh P Pai
Ganesh P Pai
Liquidator
Place: Bangalore
Date: November 17, 2021

CA Ganesh P Pai
Registered Insolvency Professional
Registration No: IBBI/PA-001/IP-01113/2015-19/12054

11. In the instant case, Interim Order dated 05.01.2023, the Tribunal posed a question to the liquidator to explain as to why there was a shortfall of the amounts payable during voluntary liquidation.

12. The Liquidator has filed an affidavit vide SR No 290 dated 20.01.2023 explaining the position that as the company was non-operational for nearly a decade, the management did not estimate any further statutory dues as it



was of the bonafide belief that all dues have discharged in full. So in order to discharge the Provident Fund claim, Mr. Ramanathan, Director provided a loan amounting to Rs.1,65,000 to the company. He also waived off the loan provided to the company.

13. On examining the submissions made by the Learned Liquidator and after perusing the documents annexed to the application, we find that the affairs of the Company have been completely wound up and the assets of the Applicant Company have been completely liquidated. As such the Applicant Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of the IBC, 2016, we order the dissolution of **M/s. Sevenstrata IT Services Private Limited**. The Applicant Company shall stand dissolved from the date of this order. Accordingly, the Company Petition stands **allowed**.

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



VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)



SANJIV JAIN
MEMBER (JUDICIAL)