



S.No.4

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
25-10-2024 AT 10:30 AM**

CP(IB) No. 125/59/HDB/2024
u/s. 59 of IBC, 2016

IN THE MATTER OF:

Mr. Mali Reddy Ramana Reddy, Liquidator in the matter of M/s. Systopia India Pvt Ltd. **...Petitioner**

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

ORDER

Learned PCS Mr.Lokesh Agarwal for the Petitioner present.

Orders pronounced. In the result, this CP is allowed and Corporate Person is hereby ordered to be dissolved with immediate effect, subject to terms and conditions mentioned in the order.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**NATIONAL COMPANY LAW TRIBUNAL
BENCH-1 AT HYDERABAD**

CP(IB)NO.125/59/HDB/2024

*PETITION U/S 59(7) OF IBC, 2016 READ WITH REGULATION 38(3) OF
IBBI (VOLUNTARY LIQUIDATION PROCESS) REGULATIONS, 2017*

**IN THE MATTER OF SYSTOPIA INDIA PRIVATE LIMITED
(IN VOLUNTARY LIQUIDATION)**

Filed by:

MALIREDDY RAMANA REDDY,

Liquidator of M/s. Systopia India Private Limited

Regn No. IBBI/IPA-003/IP-N00308/2020-2021/13452

Address: 8-3-191/155, Flat No.202, Sai Saurabh

Residency, Beside Sai Dharsini Tiffin Centre,

S R Nagar, Sanjeev Reddy Nagar, Ameerpet,

Hyderabad, Telangana – 500038, India

**... Applicant /
Liquidator**

Date of order: 25.10.2024

Coram:

Dr. N. Venkata Ramakrishna Badarinath, Hon'ble Member (Judicial)

Shri Charan Singh, Hon'ble Member (Technical)

Appearance:

For Applicant: Mr. Lokesh Agarwal, Advocate



PER: BENCH

ORDER

1. This Company Petition under Section 59 of the Insolvency and Bankruptcy Code, 2016 (herein after referred to as Code) is filed by the Corporate Person/ M/S. SYSTOPIA INDIA PRIVATE LIMITED, represented by the Liquidator Mr. **MALIREDDY RAMANA REDDY**, seeking dissolution of the Company under voluntary liquidation process.

2. DETAILS OF THE COMPANY:

- **M/s. Systopia India Private Limited (hereinafter referred to as the “Company”)**, is Company incorporated under the provisions of Companies Act, 2013, on 22.10.2018, bearing CIN: **U72200TG2018PTC127780** and having its registered office situated at Flat No.604, O-Block, Quartz-Rainbow Vista, Hari Ramhills, Moosapet, Kukatpally, Hyderabad, Telangana – 500018, India. The PAN of the Company is ABBCS0336C. The Company was primarily engaged in the business of developing, designing, importing and exporting software products and services including telecom related software & services etc.
- **The Authorized Capital** of the Company is Rs.10,00,000/- (Rupees Ten Lakh only) divided into 1,00,000 (One Lakh) equity shares of Rs.10/- (Rupees Ten only) each and the Paid Up Capital of the



Company is Rs.9,00,000/- (Rupees Nine Lakhs only) divided into 90,000 (Ninety Thousand) fully paid up equity shares of Rs.10/- (Rupees Ten only) each.

3. The Board of Directors of the Company

The following is the details of the Directors of the Company is as follows:

Sl. No.	Name of the Director	DIN	Designation
1.	Ajay Kumar Ananthu	06748583	Director
2.	Christopher Brian Lyons	08466345	Director

4. BRIEF OVERVIEW OF THE LIQUIDATION PROCESS BY THE APPLICANT:

- The Board of Directors of the Corporate Person in their Meeting on 30.09.2023 proposed to liquidate the Company Voluntarily as the Company ceased its operational activities and stopped carrying any business in India and accordingly, pursuant to the provisions of Section 59(3)(a) of the Insolvency and Bankruptcy Code, 2016, (“**CODE**”) read with Regulation 3 of the Insolvency and Bankruptcy (Voluntary Liquidation Process) Regulations, 2017, (“**Voluntary**



Liquidation Process Regulations”) passed a resolution proposing liquidation of the Corporate Person voluntarily, as per section 59 of Insolvency and Bankruptcy Code, 2016.

- The Declaration of Solvency was made by the existing Directors on 30.09.2024 as required under Section 59 (3) (a) (i) of the Code. Further, the Board after having made full inquiry into the affairs of the Corporate Person, formed an opinion that the Company will be able to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation and that the company is not being liquidated to defraud any person. (A copy of declaration of solvency along with audited financial statements of the Company for the financial years 01.04.2021 to 31.03.2022, 01.04.2022 to 31.03.2023 and 31.03.2023 to 29.09.2023 are annexed and marked as ANNEXURE - A2).
- On 30.09.2024 the shareholders of Corporate Person passed a special resolution in the Extraordinary General Meeting to liquidate the Company and to appoint Mr. Malireddy Ramana Reddy, an Insolvency Professional (hereinafter referred as the **“Liquidator/Applicant”**), having IP registration No. IBBI/IPA-003/IP-N00308/2020-2021/13452 to act as the Liquidator of the Company in Liquidation. Accordingly, the liquidation of the Company is deemed to have commenced on 30.09.2024. Copy of the Board Resolution and Special Resolution of the members of the Company in the Annual



General Meeting requiring the Company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator was notified to the Registrar of Companies, Hyderabad, Telangana in MGT-14 vide SRN No. AA5855195 and SRN: AA5897085 dated 25.10.2023 and also with the Insolvency and Bankruptcy Board of India (hereinafter referred to as “Board” or “IBBI”) in terms of Section 59(4) of the Code.

- The Company has only one (1) Operational Creditor with an outstanding due of Rs. 30,000/- towards Audit fee. Therefore, in the Meeting of Creditors held on 30.09.2023, at 04.30 P.M. the Creditors of the Company passed the resolution with two thirds majority and provided their confirmation to the special resolution passed by the Members of the Company to liquidate the Company Voluntarily.
- The Liquidator carried out public announcement of commencement of liquidation in Form A, in Financial Express, English Newspaper and Nava Telangana (Vernacular) Newspaper on 03.10.2023, inviting claims from the stakeholders, if any, within 30 days from the date of commencement of liquidation. **(A copy of Public Announcement dated 03.10.2023, in Form A, is annexed and marked as ANNEXURE – A5).**
- The Applicant pursuant to his appointment as the Liquidator of the Company, has given intimation/Notice to the Insolvency and



Bankruptcy Board of India (hereinafter referred to as the “**Board/IBBI**”) and Registrar of Companies (ROC), Reserve Bank of India (RBI), Goods and Services Tax Department and to the Income Tax Department respectively, vide letters dated 06.10.2023 and emails dated 07.10.2023, regarding his appointment in accordance with section 59(4) of the Code read with regulation 3(2) of the Voluntary Liquidation Process Regulations.

- In addition to sending emails to the IBBI, ROC, RBI, GST Dept., and IT Dept., on 07.10.2023, the Applicant also sent the physical intimations to the abovementioned authorities on 07.10.2023, by way of speed post, informing about his appointment as the Liquidator of the Company in accordance with section 59(4) of the Code read with regulation 3(2) of the Voluntary Liquidation Process Regulations. All the notice sent through the speed post were delivered to the abovementioned authorities on 09.10.2023 and on 10.10.2023.
- Pursuant to intimation made to the statutory authorities, the Company has received a No Due email dated 11.10.2023, from the office of Assistant Commissioner of Income Tax, Circle 3(1), Hyderabad, Income Tax Department, Ministry of Finance, Government of India affirming and confirming that the Company has no pending demands in relation to collection of demand/dues under Income Tax Act, 1961. Further on 29.11.2023, the Company l received Tax Refund of Rs.1,36,700/- (Rupees One Lakh Thirty Six Thousand and Seven



Hundred only) from Income Tax Department, Government of Telangana.

- In response to the public announcement, the Applicant herein received Claim Form on 28.10.2023, for an amount of Rs.30,000/- (Rupees Thirty Thousand) from NVSR & Associates LLP (Operational Creditor), statutory auditors of the Company towards payment of audit fee, which has verified and admitted on 27.11.2023.
- **PRELIMINARY REPORT**
The Liquidator submitting preliminary report dated 13.11.2023 within 45 days from the commencement of the liquidation process as prescribed under Regulation 9 of Voluntary Liquidation Process Regulations.
- **LIST OF STAKEHOLDERS:**
Pursuant to the claims received, the Liquidator prepared the **list** of the stakeholders within 45 (Forty Five) days from the last date of receipt of claims and modified the same from time to time, as prescribed under the provisions of Regulation 30 of the Voluntary Liquidation Process Regulations. The following is the list of stakeholders of the Company as on 12.12.2023.
- **OPENING OF BANK ACCOUNT:**
The Applicant opened a Liquidation Bank account with HSBC Bank Ltd on 28.03.2024 with Account Number 082-616186-002, as prescribed under the provisions of Regulation 34 of the Voluntary Liquidation Process Regulations and that the Current Account of the Company



bearing Account Number 082-616186-001 was closed by the Bank on 18.04.2024, as confirmed vide its letter dated 29.04.2024.

- **AUDITED FINANCIAL STATEMENTS FOR THE BROKEN PERIOD FROM 31.03.2023 To 29.09.2023**

The Company do not have any movable or immovable properties as on the Liquidation Commencement Date and the only assets the Company had as on the Liquidation Commencement Date is (i) Cash & Cash Equivalents of Rs.3,75,000/- (Rupees Three Lakhs and Seventy Five Thousand only); and (ii) Refund due from the IT Department of Rs.1,31,000/- (Rupees One Lakh and Thirty One Thousand only); aggregating Rs.5,06,000/- (Rupees Five Lakhs and Six Thousand Only). The Liabilities of the Company stood at Rs.3,30,000/- (Rupees Three Lakh and Thirty Thousand only) which includes Rs.30,000/- (Rupees Thirty Thousand only) towards Audit Fee payable and Rs.3,00,000/- (Rupees Three Lakh only) towards Provision of Liquidation Expenses. The Networth of the Company stood at Rs.1,76,000/- (Rupees One Lakh and Seventy Six Thousand only) as on the Liquidation Commencement Date i.e. as on 30.09.2023.

- **REALIZATION DURING LIQUIDATION:**

The Applicant made the following realizations during the Liquidation Period:



Sl. No.	Particulars of Amount Realized	Amount (Rs.)	Date
1.	Refund from IT Department	1,36,700	29.11.2023
2.	Cash / Bank balance	3,75,156	12.04.2024
3.	Other Income	1,590	Oct, 2023
Total		5,13,446	

The Applicant after all the reconciliation and after deducting the Liquidation Cost, distributed the proceeds from realization to the Stakeholders in accordance with the provisions of section 53 of the IBC read with Regulation 35 of IBBI (Voluntary Liquidation Process) Regulations, 2017.

The details of distribution made to the stakeholders are as follows.

Sl. No.	Distribution	Amount Distributed
1.	Liquidation Cost [Sec.53(1)(a)]	3,37,592
2.	Workmen Dues [Sec.53(1)(b)(i)]	Nil
3.	Secured Creditors [Sec.53(1)(b)(ii)]	Nil
4.	Wages and Unpaid Dues to Employees [Sec.53(1)(c)]	Nil



5.	Financial Debts to Unsecured Creditors [Sec. 53(1)(d)]	Nil
6.	Government Dues [Sec.53(1)(e)]	Nil
7.	Secured Creditors for any amount unpaid	Nil
8.	Other Debts Due, Operational Creditors [Sec. 53(1)(f)]	30,000
9.	Preference Shareholders 53(1)(g)]	Nil
10.	Equity Shareholders [Sec.53(1)(h)]	1,45,854
11.	Unclaimed Dividends & Undistributed Proceeds transferred to Corporate Voluntary Liquidation Account maintained by IBBI.	Nil
Total		5,13,446

The break-up of the Liquidation Cost is as follows:

Sl. No.	Particulars	Amount
1.	Remuneration of Liquidator.	1,00,000
2.	Profession fee of the Independent Chartered Accountant towards Audit Fee and for providing the Forms 15CA and 15CB, Certification to Bank for repatriation of funds, cash book, general ledger, bank ledger etc., for the Liquidation Period.	1,00,000
3.	Legal Counsel Fee for filing Dissolution Application and representing the Liquidator before the Hon'ble Tribunal in the matter.	1,00,000



4.	Profession Fee for paper advertisements of public announcement.	14,112
5.	Bank Charges during the Liquidation Period (October 2023 to June, 2024).	8,480
6.	Expenses towards filing fee, photocopies, other stationery and clerkage in respect of Dissolution Application.	15,000
Total		3,37,592

The break-up of the Payment to Operational Creditor is as follows:

Sl. No.	Particulars	Amount
1.	Audit Fee due as per the audited financial statements as on 29.09.2023 and as per the claim received from the Statutory Auditors.	30,000
Total		30,000

The break-up of the Payment to Equity Shareholders is as follows:

Sl. No.	Particulars	Amount	Date
1.	Distribution to M/s. Zucchetti UK Limited (Formerly Known as Systopia Consulting Limited), Proximity House, Pixash Business Centre, Pixash lane, Keynsham, Bristol, United Kingdom, BS31 1TP.	1,45,852	15.05.2024
2.	Distribution to Mr. Ramakrishna Rudrabhat	02	24.05.2024
Total		1,45,854	



- **CLOSURE OF LIQUIDATION BANK ACCOUNT:**

Subsequent to completion of Liquidation Process of the Company, the Liquidation Account was closed and the certificate dated 14.06.2024, confirming that the account opened in the name of “**Systopia India Private Limited in Voluntary Liquidation**” with the HSBC Bank Ltd” has been closed on **13.06.2024** is filed.

- **FINAL REPORT:**

The Applicant has prepared the Final Report consisting of the audited receipts and payments account pertaining to liquidation since the liquidation commencement date, mentioning the details about realisation of assets, payment of liabilities and distribution made to the stakeholders of the Company in accordance with the provisions of Regulation 38 of IBBI (Voluntary Liquidation Process) Regulations, 2017 and the same has been submitted to the Board (IBBI) and to the Registrar of Companies (ROC) through email on **26.06.2024**.

- **SUBMISSION OF COMPLIANCE CERTIFICATE IN FORM-H**

The Compliance Certificate in Form – H, prepared as required under Regulation 38(3) of IBBI (Voluntary Liquidation Process) Regulations, 2017, is annexed with this Application.



● **PRESERVATION OF RECORDS:**

The Liquidator has undertaken to preserve and maintain copy of all the records, as prescribed under Regulation 41 of IBBI (Voluntary Liquidation process) Regulations 2017, in electronic form, for a minimum period of eight years and a physical copy of the same in his safe custody at his office, for a minimum period of three years from the date of dissolution of the Company by this Tribunal.

5. NOTICE TO REGISTRAR OF COMPANIES:

This Tribunal vide order dated 19.07.2024 directed the Petitioner to issue notice to the Registrar of Companies (Telangana). The Registrar of Companies filed his report dated 08.08.2024. The observations of the ROC and the compliance affidavit dated 29.08.2024 submitted by the Petitioner is mentioned against each. Further ROC has stated that this Tribunal can pass appropriate orders based on the final report submitted by the Liquidator and on merits:-

Para	Observations of ROC	Compliance Affidavit of the Petitioner
13	ROC observed that one of the shareholders are foreign body corporate. In view of the same, the Liquidator shall include a statement of Hon'ble Tribunal on the compliance of FEMA guidelines on the investment made in the Indian Company by foreign body Corporates. Further the Liquidator	The Applicant affirms and declared that the foreign body corporate (Zuchetti UK Limited -formerly known as Systopia Consulting Limited) and Mr. Ramakrishna Rudrabhat are the beneficial and registered owners / shareholders of the Company and that the provisions relating to Sections 89 and 90 of the Companies



	<p>shall also clary about any beneficial interests or rights that this foreign body corporate has in the Indian Corporates in accordance with Sections 89 or 90 of the Companies Act, 2013 and its compliance of law, if applicable.</p>	<p>Act, 2013, are not applicable in the instant case.</p> <p>Further the Applicant undertakes to comply with and adhere to all the applicable provisions of FEMA and RBI if any, that may arise in future.</p>
14.4	<p>The balance sheet as at 31.03.2023, that under Note No. 19(b) regarding Related Party Transaction, hosting expenses to M/s Systopia Consulting Limited is shown as Rs. 1359.63 lakhs.</p> <p>Whereas in Balance Sheet as at 31.03.2022 under note no. 21(b) regarding Related Party Transaction, hosting expenses to M/s Systopia Consulting Limited is shown as “NIL”</p>	<p>The Petitioner submitted that the discrepancy observed in the Notes to the Financial statements as on 31.03.2023, concerning the Hosting Expenses, under Related Party Transactions appearing at Note No. 19(b) on Page 14, which was reported as Rs. 1359.63 (in lakhs) was a typographical error which was unintentional but was purely due to the oversight. The error has been rectified and the figure earlier reported as Rs. 1359.63 (in lakhs) has been corrected to Rs. 13.60 (in Lakhs) and the revised notes to financial statements reflecting the said correction accompanied with the financial statement as on 31.03.2023, is annexed and marked as Annexure A-3 to the said compliance Affidavit.</p> <p>The Petitioner further stated that similarly, the discrepancy noted in the Notes to Financial statements as on 31.03.2022, regarding Hosting Expenses to Systopia Consulting Limited, under Related Party Transactions as detailed in Note No.</p>



		21(b) on page 14, which was reported as Nil was also due to an unintentional typographical error caused by oversight. The error has been rectified by correcting the term 'Nil' to Rs. 1,359.63 (in Thousands) and the revised Notes to Financial Statements reflecting the said correction accompanied with the financial statement as on 31.03.2022, is annexed and marked as Annexure A-4 to the compliance Affidavit.
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6. We heard the Mr. Lokesh Agarwal, Ld. Counsel for the Applicant, and perused the record.
7. The Liquidator submitted that he has distributed the amount available to the credit of the company (In voluntary Liquidation) to the stakeholders of the Company. He has filed preliminary report and Final Report, Final Accounts along with Auditors certificate.
8. The Liquidator has complied with all the conditions and procedural requirements as specified under Section 59 of IBC and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 before initiating voluntary liquidation process of the Corporate Person and we find that the affairs of the Corporate Person have been completely wound up. The Company has no assets, as such, had voluntarily liquidated itself so as to get dissolved.



9. As a sequel to the above, by exercising the powers conferred on the Adjudicating Authority under Section 59 of the Code, we hereby allow the Company Petition with following directions: -

- (i) The Corporate Person, **M/s Systopia India Private Limited** is hereby dissolved, with immediate effect.
- (ii) The Registry is directed to forward a copy of this order within a period of 14 days from the date of this order to the Registrar of Companies, Hyderabad for marking appropriate remarks for the Company on MCA website and IBBI.
- (iii) The Liquidator is also directed to forward copies of this order to all the statutory authorities connected with the affairs of the Company.

SD/-

(CHARAN SINGH)
MEMBER (TECHNICAL)

SD/-

(DR. N. VENKATA RAMAKRISHNA BADARINATH)
MEMBER (JUDICIAL)

Binnu