

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**

I.A.No.153 of 2021 in  
C.P. (IB) No.198/BB/2020  
U/s 33(2) r/w Section 60  
of the I&B Code, 2016

**In the matter of :**

**Shri Ganesh Panduranga Pai,**  
*Resolution Professional of*  
Antal Infotech Private Limited,  
No.68, 6B, 6<sup>th</sup> Floor, Chitrapur Bhavan,  
8<sup>th</sup> Main, 15<sup>th</sup> Cross,  
Malleshwaram,  
Bengaluru - 560055

... Applicant/Resolution Professional

Order Delivered on : 15 August, 2021

**Coram:** 1. Hon'ble Shri Bhaskara Pantula Mohan, Acting President  
2. Hon'ble Shri Hemant Kumar Sarangi, Member (Technical)

**Parties/Counsels Present (through Video Conference):**

For the Applicant/RP : Shri Perikal K. Arjun

**ORDER**

**Per: Bhaskara Pantula Mohan, Acting President**

1. I.A.No.153 of 2021 in C.P.(IB)No.198/BB/2020 is filed by Shri Ganesh Panduranga Pai, Resolution Professional of Antal Infotech Private Limited (hereinafter referred to as 'Applicant/Resolution Professional') under Section 33(2) r/w Section 60 of the I&B Code, 2016, by inter seeking to order for liquidation of the Corporate Debtor in terms of Section 33 (1) (b) of the I & B Code, 2016.
2. Brief facts of the case, as mentioned in the Application, which are relevant to the issue in question, are as follows:



- (1) The main Company Petition bearing C.P.(IB)No.198/BB/2020 filed by M/s. Vinay Bangalore Srinivas Murthy U/s 7 of the IBC, 2016, R/w Rule 4 of the I&B(AAA) Rules, 2016, was admitted by the Adjudicating Authority, vide order dated 23<sup>rd</sup> September 2020, by initiating CIRP in respect of Corporate Debtor, appointing IRP, imposing moratorium etc. The order was received by the IRP on 8<sup>th</sup> December 2020 upon admission of an application filed by the Corporate Debtor u/s 10 of the Code.
- (2) It stated that numerous attempts were made for revival of the Corporate Debtor during the resolution process. Upon commencement of the CIRP, the RP reached out to existing customers of the Corporate Debtor to consider re-working arrangements with them. However for number of reasons such as pay lapses by management in non-remittance of salaries, non-payment of statutory dues etc., the customers were not willing to continue working with the Corporate Debtor. Despite giving due consideration and time for exploring any investor interest, no Resolution Applicant has come forward with any plan for reviving the Corporate Debtor. The Corporate Debtor was not a going concern at the time of commencement of CIRP, having no clients and only 2 (two) employees. In addition, the Corporate Debtor lost out on one of its most significant client in the year 2019-2020 before initiating the resolution process after which the operations could not be revived. The Corporate Debtor is currently not a going concern. The Corporate Debtor had certain bank balance and receivables and has no other asset. The RP has realised final pending customer dues to the tune of INR 20 Lakh and received tax refund of INR 1.43 crores for financial year 2019-2020. However, against the high quantum of liabilities of the Corporate Debtor, amounting to almost INR 10 crores, the asset position is meagre and has acted as a deterrent for future investor interest. The RP reach out to investors. However, no investor has



come forth despite best efforts and the same was also discussed in the 3<sup>rd</sup> and in 5<sup>th</sup> meeting of COC along with members and promoter.

- (3) The COC in its first meeting held on 7<sup>th</sup> January 2021 resolved to appointed the IRP as Resolution Professional as per Section 22 (2) of the Code. Further, in their 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> meeting held on 5<sup>th</sup> May 2021, 13<sup>th</sup> May 2021 and 24<sup>th</sup> May 2021 deliberated in detail on various options available before the CoC to decide the way forward for the CIRP of the Corporate Debtor. In the 5<sup>th</sup> meeting of the COC, it was resolved by requisite majority of the COC that the CIRP timelines shall not be extended by making the requisite application before the Adjudicating Authority and proposed resolution for publication of the third Expression of Interest was also voted against. At the 6<sup>th</sup> meeting of the COC the agenda of liquidation was deliberated and at the 7<sup>th</sup> meeting held on 24<sup>th</sup> May 2020 a consensus amongst majority of creditors emerged that the Corporate Debtor should be liquidated since the current CIRP is drawing to a close and no viable resolution plan has been placed before the COC.
- (4) Further, the RP states that an application u/s 45 of the code is currently pending before the Adjudicating Authority inter alia seeking the transaction specified in the application be declared as void and seeks reversal of the effect of such transactions. The transaction prayed to be set-aside under the application involves a loan of INR 75 lakhs given by the Corporate Debtor to its group company, Work streets Internet Technology Private Limited. The loan was given without any interest and granted without passing of a special resolution in accordance with the requirements, thereby deeming it prejudicial to the Creditors of the Corporate Debtor. Further, the transaction has been effectuated by way of agreement which is not registered in accordance with the statutory requirements. The resolution for filing the present application was passed at the 2<sup>nd</sup> meeting of the CoC held on 10<sup>th</sup> February 2021.

(5) During the course of the CIRP period, numerous attempts were made to invite prospective Resolution Applicants to submit a feasible and viable resolution plan for the Corporate Debtor which are narrate as under:

- 1) An advertisement inviting expression of Interest in accordance with the provisions of Section 25 (2) (h) of the Code r/w Regulation 36A of the IBBI (Insolvency Resolution Process for Corporate Persons), Regulations was published on 18<sup>th</sup> February 2021 and the last date for the submission of the EOI was 5<sup>th</sup> March 2021. No interest was received by the RP till the last date specified in the EOI. However, the statutory auditors of the Corporate Debtor approached the RP with a potential interest by an investor for which he required an additional two to three weeks to provide any substantial details. As the timeline stipulated for EOI was lapsed, at the 3<sup>rd</sup> meeting of the COC held on 17<sup>th</sup> March 2021, it was deliberated and resolved that another EOI be published to generate interest from investors and a second EOI was published on 23<sup>rd</sup> March 2021 with last date for receipt of interest as April 7, 2021. Despite the republication and initial discussions with the statutory auditor of the Corporate Debtor, no interest materialised and the RP has not received any resolution plan so far.
- 2) Due to lack of interest, the resolutions for a third publication inviting an EOI and for filing an application for granting an extension of the CIRP period were proposed at the 5<sup>th</sup> meeting of the COC held on 5<sup>th</sup> May 2021 and the proposed resolutions were not passed due to lack of favourable votes by the COC.
- 3) Thereafter, a future repayment/payment plan was put forth by the promoter of the corporate Debtor over email after the 5<sup>th</sup> meeting of the COC. However, this proposed plan is not in consonance with the requirements of the provisions of the Code and such process would involve protracted timelines. Further, the



member of the CoC not considered this proposal for further discussion in the ensuing meetings. Moreover, the proposition of the promoters involves setting up of a new company as a subsidiary of the corporate Debtor which does not result in a revival of the Corporate Debtor. Considering these factors, the members of the CoC arrived at a consensus that liquidation proceedings should take priority. Further, the members of the CoC had discussions in the seventh and last meeting along with the promoter that during liquidation, they would consider any option for faster pay back of the inter-company loan due from Work streets Technology Private Limited, a company in which the promoter holds majority shareholding. The COC members have concluded and resolved unanimously that, as a priority, approval be sought for liquidation from the Adjudicating Authority as they deem realisation and recovery of their debts is of paramount importance given that the corporate Debtor cannot be revived.

- 4) It is apparent that the RP and the CoC made multiple efforts to revive the Corporate Debtor. However, no viable resolution plan has been received till date as discussed in detail at the 7<sup>th</sup> meeting of the CoC. Accordingly, in terms of the mandate of Section 33 (2) of the code the Corporate Debtor would need to be liquidated.
- 5) It is also stated that the Applicant has agreed to continue as the Liquidator of the Corporate Debtor subject to the approval of this Adjudicating authority and is also placing on record the written consent to act as Liquidator as prescribed u/s 34 (1) of the Code. The members of the COC constituting 71% of the voting share at the 7<sup>th</sup> meeting held on 24<sup>th</sup> May 2021 passed the resolution for approving the initiation of liquidation of the Corporate Debtor and for appointment of the RP as the Liquidator. Hence the application.



3. Heard Shri. Perikal.K.Arjun, learned Counsel for RP, through Video Conference. We have carefully perused the pleadings of the Party and the extant provisions of the Code and the Rules made thereunder.
4. As detailed supra, the Resolution Professional and the COC of the Corporate Debtor, have made their best efforts to find a suitable Resolution Plan to revive the business of the Corporate Debtor. However, in the absence of any Resolution Plan received, there is no other alternative for the COC except to seek to order to liquidate the Corporate Debtor as per the provisions of the Code. The Resolution to initiate liquidation was also approved by the COC in its 7<sup>th</sup> meeting held on 24<sup>th</sup> May 2021, with requisite majority and the instant Application is filed strictly in accordance with law. The COC has also proposed the Applicant with Registration No. IBBI/IPA-001/IP-P01313/2018-19/12054 as a Liquidator for liquidating the Corporate Debtor, who has filed a written consent dated 1<sup>st</sup> June, 2021 to act as Liquidator of the Corporate Debtor i.e., M/s Antal Infotech Private Limited by *inter- alia* declaring that he is currently serving as an Liquidator in three proceedings and there are no disciplinary proceedings against him with the Board or ICAI Institute of Insolvency Professionals etc. Hence, he is provisionally eligible to be appointed as Liquidator. Therefore, it is a fit case to initiate Liquidation in respect of Corporate Debtor.
5. In view of the facts and circumstances of the case, the Adjudicating Authority, by exercising powers conferred under Section 33(2) of the IBC, 2016, dispose of I.A. No.153 of 2021 in C.P. (IB) No.198/BB/2020 with following directions:
  - a) It is hereby ordered that M/s.Antal Infotech Private Limited, Corporate Debtor to be liquidated in the manner as laid down in Chapter III of Part II of Code, R/w IBBI (Liquidation process) Regulations, 2016.
  - b) Shri Ganesh Panduranga Pai, the RP is hereby appointed as a Liquidator, subject to the terms and conditions to be agreed upon



by the parties in the light of extant provisions of the IBBI. He is directed to follow due process of law as per above Chapter and Regulations and to issue public announcement immediately by stating that the Corporate Debtor is in liquidation.

- c) The Liquidator is directed to strictly adhere to the extant provisions of the Code and the Rules made thereunder framed by the IBBI from time to time and also directed to take expeditious steps to complete the liquidation process in the light of various orders.
- d) He is further directed to take steps for early dissolution of Corporate Debtor, in terms of Rule 14 of IBBI (Liquidation Process) Regulations;
- e) The Registry is directed to communicate a copy of this order to all Parties immediately for information and to take necessary action;
- f) Post the case for report of Liquidator 16.09.2021.



**(BHASKARA PANTULA MOHAN)  
ACTING PRESIDENT**



**(HEMANT KUMAR SARANGI)  
MEMBER, TECHNICAL**