

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**  
**(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)**  
**(Through web-based video conferencing platform)**

C.P. (IB)No.32/BB/2021  
U/S.7 of IBC, 2016  
R/w. Rule 4 of I&B (AAA) Rules, 2016

**IN THE MATTER OF:**

Mr. Putta Kempanna  
S/o. Mr. K.H.Shamagowda,  
R/o. at No.288/16, 5<sup>th</sup> Main Road,  
Near Prasanna Veeranjanya Temple,  
Mahalakshmi Layout,  
Bengaluru – 560 086 - Petitioner/Financial Creditor

**Versus**

M/s. Welworth Software Private Limited  
R/o. at Rockline Centre, No.54,  
3<sup>rd</sup> Floor, Richmond Road,  
Bengaluru – 560 025 - Respondent/Corporate Debtor

**Order delivered on: 1<sup>st</sup> February, 2022**

**Coram:** 1. Hon'ble Shri Ajay Kumar Vatsavayi, Member (Judicial)  
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

**Parties/Counsels Present:**

For the Petitioner : Shri Rahul Aggarwal  
For the Respondent : Shri Chandrashekhar Patil

**ORDER**

**Per: Ajay Kumar Vatsavayi, Member (Judicial)**

1. The present Petition is filed, under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC/Code') by Shri Putta Kempanna (hereinafter referred to as 'Petitioner/Financial

- Creditor') to initiate the Corporate Insolvency Resolution Process ('CIRP') against M/s. Welworth Software Private Limited (hereinafter referred to as 'Respondent/Corporate Debtor').
2. The Corporate Debtor viz., M/s. Welworth Software Private Limited is a Company incorporated on 03.05.2005 under the provisions of Companies Act, 1956 with CIN:U72200KA2005PTC036221 having its registered office at Rockline Centre, No.54, 3<sup>rd</sup> Floor, Richmond Road, Bengaluru – 560025, which falls within the territorial jurisdiction of this Adjudicating Authority. The Authorised Share Capital of the Respondent/Corporate Debtor is Rs.6,00,00,000/- and the Paid-up Share Capital is Rs.4,99,99,000/- as per the Company Master Data attached at Annexure-I(C) of this Petition.
  3. It is submitted by the Financial Creditor that a loan of Rs.1,00,00,000/- was advanced to the Corporate Debtor on 29.09.2020 pursuant to Term Sheet executed on 15.09.2020. As per Term Sheet, the Unsecured Loan was given for three months at the interest of 1% p.m. The interest was payable within three days from the date of becoming due. When no interest was paid by Corporate Debtor then Financial Creditor issued a letter demanding for the amount of principal and interest but nothing was paid.
  4. Notice was issued to the Corporate Debtor as to why this Petition not be admitted. In response thereto, a statement of objections has been filed by the Corporate Debtor, wherein it has admitted its liability but expressed its inability to repay the debt, in view of its financial difficulties.
  5. We have heard the learned Counsel for both the parties and have also perused the records carefully.
  6. In the present case, the occurrence of default is evidenced by the details furnished by the Petitioner.

7. The Petition filed in the prescribed Form No.1 is found to be complete.
8. In the given facts and circumstances, the present Petition being complete and having established the default in payment of the Financial Debt for the default amount is being above Rs.1,00,000/-, the Petition is admitted in terms of Section 7(5) of the IBC and accordingly, moratorium is declared in terms of Section 14 of the Code. As a necessary consequences of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:
  - (a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
  - (b) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
  - (c) Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
  - (d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Corporate Debtor;
  - (e) It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period;
  - (f) The provisions of Section 14(3) shall however, not apply to such transactions as may be notified by the Central Government in

consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor;

- (g) The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of Section 31 or passed an order for liquidation of Corporate Debtor under Section 33 as the case may be;

9. In Part-III of Form No.1, Mr. Srinivas Thatikonda, Registration No.IBBI/IPA-002/IP-N00631/2018-19/11886 has been proposed as Interim Resolution Professional (IRP). Form No.2 dated 05.02.2021 along with the certificate of registration issued by the Insolvency and Bankruptcy Board of India are found at Page Nos.29-32 of the Petition. The Law Research Associate of this Tribunal has checked the credentials of Mr. Srinivas Thatikonda and there is nothing adverse against him. In view of the above, we appoint Mr. Srinivas Thatikonda, bearing Registration No. IBBI/IPA-002/IP-N00631/2018-19/11886, registered address at Flat No.006, Nanda Ashirwad Apartments No.1, Canara Bank Colony, 2<sup>nd</sup> Main, Chandra Layout, Bengaluru-560072 email [srinivas@srinivasthatikonda.com](mailto:srinivas@srinivasthatikonda.com), as the Interim Resolution Professional. The IRP is directed to take the steps as mandated under the IBC, specially under Sections 15, 17, 18, 20 and 21 of IBC, 2016.
10. The Interim Resolution Professional shall after collation of all the claims received against Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Tribunal every fortnight.

11. A copy of the order shall be communicated to both the parties. The learned Counsel for the Petitioner shall deliver copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send the copy of this order to the Interim Resolution Professional at his e-mail address forthwith.

-Sd-

**(MANOJ KUMAR DUBEY)**  
**MEMBER (TECHNICAL)**

-Sd-

**(AJAY KUMAR VATSAVAYI)**  
**MEMBER (JUDICIAL)**

Shruthi