

**NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
BENGALURU BENCH, BENGALURU, HELD ON 26.08.2020

**THROUGH VIDEO CONFERENCING**

**CAUSE LIST**

PRESENT: 1. Hon'ble Member (J), Shri Rajeswara Rao Vittanala  
2. Hon'ble Member (T), Shri Ashutosh Chandra

CP/CA No.	Purpose	Sec	Name of Petitioner	Petitioner Advocate	Name of Respondent	Respondent Advocate
CP(IB) No. 137/BB/2018	For Pronouncement of orders in IA No. 255/2020 – CIRP	Sec 9 of I&B code 2016	M/s Joji Thomas	Southern Resolution Profession a-ls LLP	M/s SGP Software Solutions Pvt Limited	K Chetan Kumar Advocate for IRP, Motappa Thimmarayaswamy for IA 255/2020

ADVOCATE FOR PETITIONER/s:

M. THIMMARAYASWAMY - RP

ADVOCATE FOR RESPONDENT/s:

**ORDER**

Heard Shri M. Thimmarayaswamy, learned RP through Video Conference.

I.A. No.255 of 2020 in CP (IB) No.137/BB/2020 is disposed of by separate order.

Post the case for report of the Liquidator on 28.09.2020.

  
Member (T)

Krishna

Verified

  
Court Officer

  
Member (J)

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

I.A. No. 255 of 2020 in  
C.P. (IB) No.137/BB/2018  
U/s 33 (1) of I&B Code, 2016

Motappa Thimmarayaswamy  
Resolution Professional  
of SGP Software Solutions Private Limited  
No. 228, 5<sup>th</sup> Main, 5<sup>th</sup> Cross,  
Shiv Krupa, K.G Nagar,  
Bengaluru – 560 019.

- Applicant/RP

**BETWEEN:**

Mr. Joji Thomas

- Petitioner/Operational Creditor

**AND**

SGP Software Solutions Private Limited

- Respondent/Corporate Debtor

**Order pronounced on: 26th August, 2020**

**Coram:**

1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)
2. Hon'ble Shri Ashutosh Chandra, Member (Technical)

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

For the Applicant/RP :

Shri Motappa Thimmarayaswamy, RP  
a/w Shri K. Chetan Kumar, Advocate

**ORDER**

***Per: Ashutosh Chandra, Member (Technical)***

1. I.A. No. 255 of 2020 in C.P. (IB) No.137/BB/2018 is filed by Shri Motappa Thimmarayaswamy ('Applicant/RP') under Section 33(1) of the I&B Code, 2016 by inter alia seeking an order to initiate liquidation proceedings in respect of the Corporate Debtor, in terms of section 33 of the Code and the Regulations made there under; to appoint Mr. Motappa Thimmarayaswamy, Insolvency Professional,



having registration number IBBI/IPA-003/IP-N00091/2017-18/10891 as Liquidator of the Corporate Debtor.

2. Brief facts of the case, as mentioned in the Applications, which are relevant to the issue in question, are as follows:

- (1) Initially, Mr. Joji Thomas ('Petitioner') has filed C.P. (IB)No.137/BB/2018, U/s. 9 of I&B Code, 2016, by *inter alia* seeking to initiate the Corporate Insolvency Resolution Process (CIRP) in respect of SGP Software Solutions Private Limited ('Respondent'). Accordingly, the case was admitted by an order dated 24.09.2019 by initiating CIRP in respect of the Corporate Debtor, appointing Mr. Motappa Thimmarayaswamy, Insolvency Professional, having Regn. No. IBBI/IPA-003/IP-N00091/2017-18/10891 as IRP, imposing moratorium etc. Copy of the order of admission is annexed to the Application.
- (2) In pursuance of the said order of initiation of CIRP, the IRP under Reg. 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016, made public announcement in Form - A on 11.10.2019, by intimating the commencement of CIRP against the Corporate Debtor. Thereafter, Committee of Creditors (CoC) was formed consisting of Sole Financial Creditor. Copy of the public announcement is annexed to the Application.
- (3) Thereafter, the IRP conducted the first meeting of the CoC, on 06.11.2019 and the CoC appointed the IRP as the Resolution Professional.
- (4) The second meeting of the CoC was scheduled to be held on 14.01.2020. However, Yes Bank being the sole member of CoC requested to defer the date of meeting stating that it is in the process of invoking Corporate Guarantee against Guarantor. Thereafter, on 17.02.2020, the RP was informed that due amounts have been recovered from the Corporate Guarantor and on account of the same, the Yes Bank opted out of the Committee.
- (5) The RP reconstituted the CoC as required by Regulation 16 of the IBBI, (Insolvency Resolution Process of the Corporate Persons), 2016, with the 4 Operational Creditors being Central Tax - Assistant Commissioner of Central

- Tax, Commercial Taxes (Audit), Employee State Insurance Corporation, Mr.Prashanth C. with total claim being Rs. 33,541,875.55.
- (6) The Resolution Professional appointed registered valuers to receive fair and liquidation value. The 2nd meeting of CoC was held on 02.03.2020 where the CoC approved the Evaluation Matrix, fixed performance security and approved the criteria for Resolution Applicant. Copy of minutes of meeting is annexed to the Application.
- (7) The Resolution Professional published the invitation for Expression of Interest in Form-G on 04.03.2020 in 'Financial Express' and 'Samyukta Karnataka' and on the website of IBBI. The RP did not receive any Expression of Interest within the stipulated period provided in the publication, being 23.04.2020.
- (8) On 19.06.2020, at the 3rd meeting of CoC, the CoC authorised the RP to file an application for liquidation of the Corporate Debtor. Copy of the Minutes of Meeting and CoC consent to appoint the RP as the Liquidator is annexed to the Application.
- (9) It is submitted by Resolution Professional that during F.Y. 2018-19, the Company's turnover was Rs.3.59 Crore which was 70% less than the turnover of preceding year being Rs.5.15 Crore. This was due to substantial decline in revenue on account of the product being no more compatible with the existing internet browsers in the market and as such the sales were very less. Hence, the present petition. Copy of minutes of meeting is annexed to the Application.
3. Heard Shri Motappa Thimmarayaswamy, learned Resolution Professional along with Shri K. Chetan Kumar, learned Counsel for the RP **through Video Conference**. We have carefully perused the pleadings of party and also extant provisions of the Code and Rules made thereunder.
4. The Resolution Professional has complied with the provisions of the Code, 2016 in ensuring that the Corporate Debt is resolved. However, due to there being no receipt of Expression of Interest by prospective Resolution Applicants within the stipulated period, the CoC has given its consent for moving an application for liquidation. We also understand that the product which the Corporate Debtor was



earning its revenue from has become obsolete and there is no hope of revival of the Company. It is seen that the RP has filed Written Consent dated 17.06.2020 wherein he expressed his consent and willingness to act as Liquidator of the Corporate Debtor and certified that there are no disciplinary proceedings pending against him with the Board of the Insolvency Professional Agency and affirmed that he is eligible to be appointed as Liquidator in respect of the Corporate Debtor. In these circumstances, we are inclined to allow this application for Liquidation.

5. In the result I.A. No. 255 of 2020 in C.P. (IB) No.137/BB/2018 is hereby disposed of with the following directions:

- (1) We hereby order **SGP Software Solutions Private Limited**, Respondent/ Corporate Debtor, to be liquidated in the manner as laid down in Chapter III (Liquidation Process) of Part II of the Code.
- (2) We hereby appoint Mr. Motappa Thimmarayaswamy, having Regn. No. IBBI/IPA-003/IP-N00091/2017-18/10891 as Liquidator, subject to the terms and conditions to be agreed upon by the parties in the light of the extant provisions of the IBBI.
- (3) We hereby direct the Liquidator to issue immediate public announcement by stating that the Corporate Debtor is undergoing the process of liquidation.
- (4) The Registry is directed to communicate this Order to the Registrar of Companies, Karnataka for information and necessary action.
- (5) The Liquidator is directed to strictly adhere to the extant provisions of the Code and the Rules made thereunder framed by IBBI from time to time and is also directed to take expeditious steps to complete the liquidation process in the light of various orders.

Post the case on **28.09.2020** for submission of report of the Liquidator.

**ASHUTOSH CHANDRA**  
MEMBER, TECHNICAL

**RAJESWARA RAO VITTANALA**  
MEMBER, JUDICIAL

Aparna