

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, BENGALURU
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(through Web-Based Video Conferencing)

I.A. No. 126 of 2022 in
C.P (IB) No. 381/BB/2019
U/s 54 of the IBC, 2016
R/w Regulation 45 of the IBBI
(Liquidation Process) Regulation, 2016

In the matter of:

Ms. Shirley Mathew

Liquidator of Bob Tech Solutions Private Limited
At No. 23, 5th Cross, Hutchins Road,
Cooke Town,
Bangalore – 560 084.

Applicant/Liquidator

Order delivered on: 24th January, 2024

CORAM: 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Parties/Counsels Present:

For the Applicant : Ms. Aishwarya Prasad

ORDER

Per: BENCH

1. The instant Application is filed on 01.04.2022 by Ms. Shirley Mathew, Liquidator of Bob Tech Solutions Pvt. Ltd. ('Applicant/Liquidator'), under Section 54 (1) of the Insolvency and Bankruptcy Code, 2016, R/w Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 by *inter alia* seeking to pass an order declaring that the Corporate Debtor, namely, M/s. Bob Tech Solutions Private Limited stands dissolved in terms of Section 54(2) of the IBC and to pass an order discharging the Liquidator, namely, Ms. Shirley Mathew, from her duties and

responsibilities as the Liquidator of the Corporate Debtor from the date of dissolution.

2. Brief facts of the instant Application, which are relevant to the issue in question, are as follows:
 - a. It is submitted that the Corporate Insolvency Resolution Process of the Corporate Debtor commenced on 07.02.2020 when this Tribunal admitted the Petition bearing C.P (IB) No. 381/BB/2019 vide its order dated 07.02.2020 under section 9 of the IBC, 2016 and appointed Shri Surender Devasani as the interim resolution professional. Accordingly, the IRP made a public announcement dated 11.02.2020. Claims were invited by public announcement and the last date for submission of claims was 25.02.2020. Taking into consideration of the claims the IRP constituted the Committee of Creditors.
 - b. It is submitted that during the second meeting of the Committee of Creditors held on 29.05.2020, it was resolved to appoint the Applicant as the Resolution Professional of the Corporate Debtor and this tribunal confirmed it by its order dated 27.07.2020. Thereafter, on 11.09.2020 the third meeting of the Committee of Creditors was convened where it was resolved to liquidate the corporate debtor and this Tribunal vide its order dated 02.02.2021 ordered liquidation of the Corporate Debtor and appointed the Applicant as the Liquidator.
 - c. Further, requisite public announcement dated 23.02.2021 in Form B in Financial Express, calling upon all stakeholders to submit their claims. The last date for submission of claims was 21.03.2021. And the list of stakeholders were prepared. Further, by way of public announcement dated 10.03.2021 proposals were invited for a scheme of compromise or arrangement under section 230 of the Companies Act, 2013. The last date for receipt of expressions of interest was 25.03.2021. It is submitted that expression of interest was received from an interested party on 25.03.2021 and process document was issued as per which the last date for receipt of a scheme as per the

process document was 25.04.2021. However, the applicant has not received any scheme under section 230 of the Companies Act, 2013.

- d. It is submitted in accordance with Regulation 13 and 34 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation 2016, Liquidator has prepared the Preliminary Report as well as the Asset Memorandum of the Corporate Debtor. It is submitted that no registered valuers were appointed by the Liquidator. It is submitted that the Corporate Debtor has no saleable assets.
- e. Further, the Corporate debtor has no employees or orders booked. Therefore, the Corporate debtor had no recoverable assets other than a sum of Rs. 17,38,730/- in respect of an income tax refund due from the Tax Department of the Government of India. Further, the applicant has filed requisite Form ITR-6 for refund of income tax for the Accounting Year 2020-21 in Form ITR-6 on behalf of the Corporate Debtor and received refund of Rs. 15,37,446/- from the Income Tax Department for the Financial Year 2020-2021 which was transferred to the liquidation account of the Corporate Debtor.
- f. It is submitted that other assets of the Corporate Debtor were cash and bank balances amounting to Rs. 1,00,74,044/- as on the as on the date of commencement of liquidation of the Corporate debtor . It is stated that a sum of Rs. 32,81,105/- was paid to the Employees Provident Fund Organization on 19.02.2021 in respect of outstanding dues payable by the Corporate Debtor. Further, the Applicant received an order dated 23.11.2021 from the Assistant Provident Fund Commissioner, demanding a further payment of Rs. 11,63,711/- towards Employee's Provident Fund contribution for excluded employees and in compliance to the order dated 23.11.2021 the applicant have paid Rs. 11,63,711/- towards Provident Fund contribution for the period from November 2017 to September 2019.
- g. It is submitted that the remaining cash and bank balances of the Corporate Debtor and the amount received has been distributed manner as laid out under section 53 of the Code. Further, the balance

of Rs. 6,69,736/- has kept as closing balance to meet liquidation costs (including liquidator's fees) till the disposal of the present Application. Moreover, any excess balance remaining after disposal of the present Application, shall in distribution in the manner provided for in Section 53 of the Code. The sale of proceeds is as under:

	Stakeholders u/s. 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Percentage to admitted claims	Remarks
1	(a) CIRP Costs	4,444,816	4,444,816	4,444,816	100	-
2.	(b) Liquidation costs	1,019714	1,019714	1,019714	100	-
3.	(b)(i)- Operational Creditors					
4.	(b)(ii) Secured Creditors	40920366	40920366	5,500,000	13	
5.	(c) Wages and salaries	11465164	10328303	-	-	-
6.	(d) Unsecured Creditors	3,125,777	1833969			-
7.	(e) (i)	3359900	3359900	-	-	-
8.	(e) (ii)			-	-	-
9.	(f)	799032	799032	-	-	-
10	(g)			-	-	-
11	(h)			-	-	-
	Total	65134769	62706098	10964528	-	-

h. However, the liquidation costs have exceeded the estimated liquidation costs as per the preliminary report filed by the applicant as in the beginning it was estimated that the liquidation of the corporate debtor would be completed within a period of 8 months. However, on account of the second and third wave of Covid- 19, the liquidation has continued for 13 months. Furthermore, the income tax refund was received only after 11 months from the date of commencement of liquidation of the Corporate Debtor.

i. It is submitted that the liquidation period of the Corporate Debtor expired on 01.02.2022 and on 31.01.2022 an application seeking extension of the liquidation period of the corporate debtor by a period of 2 months from 01.02.2022 to 31.03.2022, since the liquidation of the Corporate debtor could not be completed within a period of one year

inter-alia on account of the delay in receipt of the income tax refund, the demand made by the Assistant Provident Fund Commissioner, for a further payment of Rs. 11,63,711/- and the surge in the number of Covid-19 cases in December 2021- January 2022. And the said I.A was allowed by this Tribunal vide order dated 13.09.2023.

3. In compliance with Regulation 45 of the Liquidation Regulations, the Applicant has filed the final report before this Adjudicating Authority vide diary dated 31.03.2022 in diary No. 1376 and the same is taken on record.
4. The Liquidator also obtained the audit report on Statement of Receipts and Payments of Corporate Debtor for the period 01.04.2021 to 15.03.2022 from Sairam K R and Co.
5. In compliance with Regulation 45(3) of the Liquidation Regulations, the Applicant has prepared the compliance certificate, in the prescribed 'Form H' and the same has been placed on record as Annexure-H of the Application.
6. Heard the learned Counsel for the Applicant. We have carefully perused the pleadings of the party and extant provisions of the Code, and the Regulations made thereunder.
7. On 13.09.2023, the matter was reserved for orders. However, on perusal of the application, (i) it is observed from the Receipts and Payments Statement enclosed along with the IA at Annexure- G which shows the Final Progress Report which shows the Closing Balance as Rs. 6,69,736/-, for which an explanation has to be given as to why the said amount is still pending in the A/c. (ii) Further, the Liquidator Fees mentioned in Receipts & Payments A/c is Rs. 6,59,250/- but in the Final Report it is stated to be Rs. 1,72,000/-. Also, the total Receipts mentioned in Page 2 of the Final Report is Rs. 1,16,48,346/-, however, in the Receipts & Payments A/c prepared by the Chartered Accountant it is shown as Rs. 1,04,05,721/-. Therefore, the matter was de-reserved on 07.12.2023 for clarification.

8. The compliance to the above direction was made vide diary No. 6392 dated 18.12.2023 wherein it is submitted that the applicant had filed IA No. 488/2023 seeking early hearing and disposal of IA No 126/2022. Along with IA No. 488/2023, the Applicant has filed Annexure B (page 8) which is a Certificate issued by the Chartered Accountant showing the statement of receipts and payments for the period 16.03.2022 to 15.12.2022. The table in the Certificate shows that the closing balance of the Liquidation account after payment of conveyance expenses, professional fees, lawyer's fee, liquidator's fee, OPE of Liquidator, bank charges and printing and stationary expenses amounting to Rs. 6,69,734/- is NIL. The applicant has also filed Annexure C to IA No. 488/2023 which is the email received from HDFC Bank stating that the account is closed. It is submitted that at the time of filing IA No 126/2022, there was a closing balance of Rs. 6, 69,734/- maintained in the Liquidation account to meet the liquidation costs. Thereafter, the said amount has been spent towards and to meet the liquidation costs. Thereafter, the said amount has been spent towards and to meet the liquidation costs. The account was closed on 20.12.2022 and the balance is NIL as evidenced by Annexure B which was filed along with I.A No. 488 of 2023.
9. Further, in compliance to the query related to Liquidator's fees it is submitted that the 5th Progress Report dated 21.03.2022 contains a certificate from Chartered Account which mentions the Liquidator's Fee for the period 01.04.2021 to 15.03.2022 as being 6,59,250/-. Annexure G of I.A 126/2022 is the Final Progress Report for the period 01.01.2022 to 15.03.2022 which mentions the Liquidator's fee for this period as Rs. 1,72,000/-. It is submitted that the figures are accurate and are for different periods and therefore they are not the same.
10. Further, with regard to the total receipts it is submitted that total receipts mentioned in page 2 of the Final Report is Rs. 1,16,48,346/-, which is for the period between 02.02.2021 to 31.12.2021. An amount

of 1,04,05,721/- is for the period 01.04.2021 to 15.03.2022. The numbers are different since they pertain to different periods of time.

11. From a perusal of the details narrated supra, it appears that the Liquidator has complied with all the conditions and procedural requirements, as specified under various provisions of Section 54 of the Insolvency & Bankruptcy Code, 2016 and also the extant IBBI Regulations. In view of this factual matrix, we are of the view that the said I.A. No.126 of 2022 seeking dissolution of the Corporate Debtor deserves to be allowed, as prayed. As the I.A. No.126 of 2022 is disposed of allowing dissolution of the Corporate Debtor, consequently CP (IB) No. 381 of 2019 also stands disposed of.

12. In the result, in exercise of the powers conferred on the Adjudicating Authority, under Section 54 of the Code, the instant Application bearing **I.A. No.126 of 2022** and **CP (IB) No. 381 of 2019** are hereby disposed of with the following directions:

- i. The Corporate Debtor, namely, **Bob Tech Solutions Private Limited** is dissolved, with immediate effect;
- ii. The Registry is directed to forward a copy of this Order to the Registrar of Companies Karnataka, Bangalore, within a period of two weeks from the date of receipt of this order, for further necessary action as prescribed under Law;
- iii. The Ld. Liquidator is directed to forward copies of this Order to all other Statutory Authorities connected with the affairs of the Company, for further necessary action as prescribed under Law.
- iv. With this, the instant **I.A. No. 126 of 2022**, and Petition bearing **CP (IB) No. 381 of 2019** also stands disposed of.

-Sd-

-Sd-

(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)

(T. KRISHNAVALLI)
MEMBER (JUDICIAL)