

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI
CP (IBC) / 46 (CHE) /2024**

(Filed under Section 59 of the Insolvency and Bankruptcy Code, 2016)

In the matter of **SYSTEMS TECHNOLOGY GROUP (INDIA) PRIVATE LIMITED (IN
VOLUNTARY LIQUIDATION)**

Mr. Shashikant Shravan Dhamne,

(IBBI/IPA-001/IP-P00237/2017-18/10466)

Liquidator of M/s. Systems Technology Group (India) Private Limited,
(*In Voluntary Liquidation*),

10, Shreeban, Opp. Police Ground,

F.C. Road, Shivaji Nagar,

Pune, Maharashtra – 411 016

... *Petitioner*

CORAM

SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Petitioner: Mr. Vikram Jain, Advocate

Order Pronounced on 12th July 2024

ORDER

(Hearing Conducted through Virtual Conference)

1. This is a Company Petition filed by the Liquidator conducting the Voluntary Liquidation of M/s. Systems Technology Group (India) Private Limited, *an unlisted Private Company limited by shares* with CIN: U72300TN1998PTC041553 having registered office at No.801, A North, 18th Floor, Tidel Park, No.4, Canal Bank Road, Taramani, Chennai, Tamil Nadu –

CP (IBC) / 46 (CHE) /2024

*In the matter of Voluntary Liquidation of M/s. Systems Technology Group (India)
Private Limited*

1 of 8

600 113, within the RoC, Chennai, under Section 59 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking dissolution of the Company.

2. The Petitioner Company was originally incorporated on 09.12.1998 as under the provisions of the Companies Act, 1956. The main object of the Company is to carry on the business of development of computer software for domestic and export market and export of software technical services via magnetic tape, satellite link, Internet or by any other mode of communication and transmission of software now available or developed in future and to carry on activity in trading, marketing, distributing of all and every type of computer software packages or computer etc., The elaborate details of the main objects are set out in the Memorandum of Association which is filed along with the typed set.

3. The Authorized share capital of the Company is Rs.1,30,00,000/- (Rupees one crore and thirty lakhs) divided into 13,00,000 shares of Rs.10/- each and the Issued Paid Up capital is Rs.1,29,96,870/- (Rupees one crore twenty nine lakh ninety six thousand eight hundred and seventy only) divided into 12,99,687 shares of Rs.10/- each.

4. We have heard the submissions made by the Learned Counsel for the Petitioner and perused the records.

5. It is stated that the company discontinued its commercial operations

on 23.02.2022.

6. It is submitted that the subject company had previously conducted the voluntary liquidation process under sec 59 of IBC, 2016 and liquidator appointed therein had filed a dissolution petition which was numbered as CP(IB)/268/2022 before this tribunal. However this Tribunal vide order dated 01.02.2023 dismissed the said petition and terminated the Process of Voluntary Liquidation conducted in respect of the Subject Company. The Tribunal found that the company had existing debt of Rs.99,96,870/- towards its Director from the Balance Sheets of the Company that at the time of Liquidation Commencement Date, i.e., 21.03.2022. The Company was unable to pay its debt and subsequently it was written off after the Commencement of Voluntary Liquidation Process. So it is held that as on the date of Declaration of Solvency the company is not solvent and has failed to comply with the statutory requirements. The relevant portion of the said order is extracted hereunder,

“12. Therefore, as on the date of the 'Declaration of Solvency', the Company must necessarily be able to pay off its debts as reflected in the books of the Company. The exercise of 'writing off' debts in the books of the Company must have been carried out prior to the declaration stipulated under the provision. The liquidation process contemplated under Chapter V of the Code read with IBBI (Voluntary Liquidation Process) Regulations, 2017 is to summarily dissolve a Company where in the opinion of the majority of its directors, the Company has no debt or it will be able to per its pay its debts in

full from liquidating its assets.

13. Based on the above observations, we reject the application the Voluntary Liquidation and Dissolution filed by the in Liquidator on grounds that the Corporate Debtor was not solvent as on Liquidation Commencement Date.

14. The Voluntary Liquidation of Systems Technology Group (India) Private Limited shall stand terminated, accordingly, CP(IB)/268(CHE)/2022 stands dismissed and disposed of. Registry is directed to serve a copy of this order to IBBI."

7. It is stated that subsequent to the said order, the applicant herein guided the Subject Company to re-examine the entire process of Voluntary liquidation for fulfilling the requirements as per the Code and connected rules.

8. It is submitted that a Board meeting dated 17.10.2023 was held to consider winding up through voluntary liquidation of the Company and appointment of applicant herein as Liquidator as per the Section 59 of the Insolvency and Bankruptcy Code, 2016 and seek approval of shareholders to that effect. The above proposals were also passed as a resolution.

9. The Extraordinary General Meeting of the Shareholders of the Company took place on 03.11.2023 wherein it was resolved to conduct and appoint the Petitioner herein to act as a liquidator for conducting voluntary liquidation process afresh in relation to the Company under Section 59 of IBC, 2016.

10. The Authorized, Issued and Paid Up share capital of the Company is

tabulated as follows,

S. No	Share Capital	As on 31.03.2022		As on 31.03.2023	
1	Authorized Share Capital	3,00,000 shares of Rs.10/- each	Rs.30,00,000 /- (Rupees Thirty Lakhs only)	13,00,000 shares of Rs.10/- each	Rs.1,30,00,000/- (Rupees One Crore Thirty Lakhs only)
2	Issued, Subscribed and Fully Paid Up Share Capital	3,00,000 shares of Rs.10/- each	Rs.30,00,000 /- (Rupees Thirty Lakhs only)	12,99,687 shares of Rs.10/- each	Rs.1,29,96,870 /- (Rupees One Crore Thirty Lakhs only)

11. The subject Corporate Company is a closely held private entity where there are only two shareholders. The shareholding structure is extracted as follows,

S. No	Shareholder Particulars	Shareholding as on 31.03.2022	Shareholding as on 31.03.2023
1	Anup Kanaiyalal Popat	2,10,100 Shares (70.03%)	12,09,787 Shares (93.08%)
2	Mona Popat Aggarwal	89,900 Shares (29.97%)	89,900 Shares (6.92%)
	Total	3,00,000 Shares (100%)	12,99,687 Shares (100%)

12. The Petitioner herein has performed the tasks and Compliances as mandated under Sec 59 of the IBC in fresh. As most of the compliances has been complied during the earlier process itself the compliance under the present process was limited in scope.

13. The Tribunal vide order dated 01.05.2024 directed the Petitioner to clarify the following,

- a) *Non - availability of Proper Solvency Declaration and an affidavit verifying the same from the majority directors,*
- b) *Whether contravention highlighted in CP/268/2022 by this Tribunal has been addressed or not?*

14. The Petitioner vide an Affidavit of Compliance dated 22.05.2024 submitted the Proper Solvency Declaration and Affidavit verifying the same from both the directors of the company. Further clarified that the contraventions highlighted in CP//268/2022 has also been addressed and submitted necessary documents supporting the same.

15. The Petitioner submitted that the entire sum of Rs.99,96,870/- owed to the Promoter Shareholder by the subject company has been converted into equivalent amount of equity shares before initiating the present liquidation process. The outstanding due has been discharged fully by issuance and allotment of 9,99,687 equity shares of Rs.10/- thereby making the Corporate entity solvent. The Copy of Resolution Passed at the EoGM of the subject company dated 08.03.2023 which authorizes to issue Private Placement offer Letter to Mr. Anup Kanaiyalal Popat as per the Companies Act, 2013 and rules thereunder is submitted as **Annexure A (a) of the Affidavit of Compliance.**

16. It is therefore submitted that the company has remedied the earlier ineligibility and has properly written off its dues from the books of accounts.

17. The details the relevant compliances performed afresh during the present liquidation process as mandated under Section 59 of the IBC, 2016 read with the IBBI (Voluntary Liquidation Process) Regulations, 2017 are listed hereunder:-

S. NO	COMPLIANCE	AVERMENTS	PAGE NO
1	Sec. 59 (3)	Copy of the Board Meeting approving voluntary liquidation dated 17.10.2023	66 of the Petition
2	Sec. 59 (3) (b) (i)	Copy of the Audited Financial statements for the years ending March 31st of 2023, 2022	72 – 107 of the Petition
3	Sec 59 (3) (c) and Reg 3(1)(c)	EoGM dated 03.11.2023 approving the re - initiation of the voluntary liquidation and appointment of the Liquidator	22 - 30 of the Petition
4	Section 59 (4) and Reg 3 (2)	Declaration of solvency verified by the Affidavit by majority directors	35 – 39 & 76 - 80 of the Affidavit of Compliance
5	Section 59 (4) and Reg 3	Intimating Board Resolution and Special Resolution for voluntary liquidation passed by shareholders in EoGM vide Form MGT-14.	155 - 165 of the Petition
6	Regulation 14	Form-A Public Announcement in Trinity Mirror (English) and Makkal Kural (Tamil) dated 07.11.2023.	176 - 177 of the Petition
7	Section 178 of IT Act, 1961	Intimation of Voluntary Liquidation process to the Income Tax Department dated 08.11.2023.	169 - 171 of the Petition
9	Reg 9	Preliminary report dated 16.12.2023.	179 - 181 of the Petition
11	Reg 38	Filing Final report dated 23.01.2024	185 - 188 of the Petition
14	Reg 38	Form-H – Compliance certificate dated 23.01.2024	197 - 205 of the Petition

18. It is observed that no realization and no distribution happened in respect of the present process.

19. Thus, on examining the submissions made by the Learned Counsel for

the Petitioner and after perusing the documents annexed to the Petition it appears that the affairs of the Company have been completely wound up by the rectifying the earlier disqualification. The assets of the subject Company have been completely liquidated and as such the Petitioner Company deserves to be dissolved.

20. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016, we hereby order the dissolution of **M/s. Systems Technology Group (India) Private Limited** and the Subject Company shall stand dissolved from the date of this order.

21. Therefore, the Company Petition *CP (IBC) / 46 (CHE) 2024* stands *allowed and disposed off*.

22. The *Registry and the Liquidator* are directed to serve a copy of this order upon the Registrar of Companies, Chennai, and also to IBBI, within 14 days from the date of this Order.

-Sd/-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-
JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)