

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**DIVISION BENCH**  
**COURT - 1**

ITEM No.301

**I.A.(Dis.) No.11(AHM)2024**  
**In C.P.(IB)/74(AHM)2021**

**Order under Section 54(1) IBC**

**IN THE MATTER OF:**

Ritesh Adatiya Liquidator of Chandra Net Ltd.

.....Applicant

**Order delivered on: 01/07/2024**

**Coram:**

Mr. Shammi Khan, Hon'ble Member(J)  
Mr. Sameer Kakar, Hon'ble Member(T)

**PRESENT:**

For the Applicant :  
For the Respondent :

**ORDER**  
**(Hybrid Mode)**

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-Sd-

**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

-Sd-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH - COURT-I**

**IA(Dis) No.11 of 2024 in CP (IB) No.74 of 2021**

*(An application filed by the Liquidator for dissolution of the Corporate Debtor under section 54(1) of the Insolvency and Bankruptcy Code, 2016 r.w. Regulation 44 to 45 of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016)*

In the matter of **M/s. Chandra Net Limited**

**Mr. Ritesh Adatiya**

Liquidator of M/s. Chandra Net Limited

Having address at:

10<sup>th</sup> Floor, 1003, Zion Z1,  
Ramdas Road, Nr. Avalon Hotel,  
Thaltej, Ahmedabad,  
Gujarat-380059.

... Applicant Liquidator

**Order Pronounced on 01.07.2024**

**CORAM:**

**Mr. SHAMMI KHAN, MEMBER (JUDICIAL)**

**Mr. SAMEER KAKAR, MEMBER (TECHNICAL)**

**APPEARANCE:**

For the Applicant : Mr. Monaal Davawala, Advocate

**ORDER**  
**[Per: Bench]**

1. The present application being I.A.(Dis)11/NCLT/AHM/2024 in CP(IB): 74/NCLT/AHM/2021 has been filed by Mr. Ritesh Adatiya, Liquidator of the Corporate Debtor, **M/s. Chandra Net Limited**, under Section 54(1) of the Insolvency and

Bankruptcy Code, 2016 for an order of dissolution by seeking relief as follows:-

- “a. Be pleased to dissolve the Corporate Debtor.*
- b. Pass ad-interim reliefs and Interim Reliefs in terms of Clause (A);*
- c. Pass such order/directions as this Hon’ble Tribunal may deem fit and proper in the facts and circumstances of the case.”*

2. It is Submitted that the Petition for Corporate Insolvency Resolution Process was filed by a Financial Creditor, **M/s. AHA Holdings Pvt. Ltd.** under Section 7 of the I.B. Code, 2016 against the Corporate Debtor **M/s. Chandra Net Limited** bearing CP(IB) No. 75/NCLT/AHM/2021. Pursuant to which, an order for initiation of CIRP was passed by this Bench vide order dated 20.09.2021 wherein Mr. Ritesh Adatiya (IBBI/IPA-001/ IP-P01334/ 2018-2019/12013) was appointed as the Interim Resolution Professional. The copy of such order is annexed as Exhibit: ‘A’.

3. It is submitted that the Corporate Debtor, M/s. Chandra Net Limited is a company incorporated on 16.03.1999 under the Companies Act, 1956 bearing CIN: U72200GJ1999 PLC035595 and having registered address at: 401, Parshwa Tower, Near Pakwan-II, S.G. Highway, Bodakdev,

Ahmedabad, Gujarat-380054. The main objective of the company was to provide the services of Internet Service Providing (ISPs).

4. It is stated that in the 6<sup>th</sup> CoC Meeting held on 08.07.2023, the members of CoC decided to liquidate the Corporate Debtor M/s. Chandra Net Limited. The copy of the Minutes of Meeting of the sixth CoC meeting held on 08.07.2023 is annexed to the present petition as Exhibit-‘D’.
5. It is stated that pursuant to that, the Resolution Professional filed an application u/s 33 of the I.B. Code and this Tribunal, vide its order dated 24.01.2023 in I.A. No. 611 of 2022, vide which the Resolution Professional was appointed as the Liquidator and he initiated the liquidation process of the Corporate Debtor, M/s. Chandra Net Limited. A copy of said order is annexed to the present petition as Exhibit-‘E’, page 147.
6. As per the Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016, the liquidator made a public announcement on 01.02.2023 in prescribed form B. The said public announcement was published in newspapers in

English edition of Financial Express and in vernacular language, Financial Express (Gujarati) newspapers. The applicant has annexed copies of the said public announcement as Exhibit-‘F’ at page 156.

7. As submitted, the Applicant/Liquidator appointed two SFA valuers to facilitate smooth functioning of the Liquidation process on 07.02.2023. The brief details of the Valuers/ Auditors are as follows:

<b>Sr. No.</b>	<b>Name of the SFA Valuer/ Forensic Auditor</b>	<b>Registration No. / Membership No.</b>	<b>Email ID</b>
SFA Valuer			
1	Mohit Jayeshbhai Solanki	IBBI/RV/06/14822	<a href="mailto:contact@mohitsolanki.com">contact@mohitsolanki.com</a>
2	Pinakin Shah	RV/05/2019/10728	<a href="mailto:Pinakincs@yahoo.com">Pinakincs@yahoo.com</a>

8. It is stated that as per Regulation 35 of the IBBI (Liquidation Process) Regulation 2016, the only asset of the company is its Bank Balance worth Rs.3,85,195/-. The copy of SFA Valuation Reports are annexed to the present petition as Exhibit-‘G’.
9. As required under Regulation 15(3) of the IBBI (Liquidation Process) Regulation, 2016, the undersigned opened the Bank Account with the Federal Bank, Vastrapur,

Ahmedabad in the name of the Corporate Debtor (Under Liquidation) as on 27.03.2023. It is submitted that the Closing Balance of Rs. 1,28,347/- has been transferred from the State Bank of India, Bodakdev Branch, Ahmedabad to the Federal Bank Account via a Demand Draft issued dated 10.05.2023. Hence, as submitted, the bank account in the name of the Corporate Debtor with the State Bank of India, Bodakdev Branch is closed. The Applicant/Liquidator annexed a copy of the said demand draft dated 10.05.2023 to the present petition as Exhibit-'H'.

10. As stated that, as on 29.03.2023, the Applicant Submitted the list of stakeholders and constituted Stakeholder's Consultation Committee, to the Adjudicating Authority as required under Regulation 31(2) of IBBI (Liquidation Process) Regulations, 2016. The Copy of the IA having filing no. 2401105/00610/2023 for submission of the list of Stakeholders and Constitution of Stakeholder's Consultation Committee is herein attached as under Exhibit 'I'. The List of Stakeholders with their Amounts Claimed and Admitted is as follows:

Sr. No.	Names	Claim Amount	Amount Admitted
1	Operational Creditors	35,276,844	34,776,843.94
2	Financial Creditors	704,183,070	358,159,855
3	Workmen and Employees	-	-
4	Government Dues	299,817,559	299,817,559
5	Other Stakeholders	2,897,480	2,897,480
	<b>TOTAL</b>	<b>1,042,174,953</b>	<b>695,651,738</b>

11. As per Regulation 31A of IBBI (Liquidation Process) Regulation 2016, the Applicant, Chaired four meetings with the Members of Stakeholder Consultation Committee as on 07.02.2023, 06.04.2023, 19.12.2023 and 19.02.2024 respectively. Copies of the Minutes of all the SCC Meetings are attached by the Applicant/Liquidator as Exhibit 'J'.
12. It is stated that, in reference with Regulation 13 and Regulation 34 of the IBBI (Liquidation Process) Regulations, Preliminary report as well as Asset Memorandum has been submitted to this Tribunal as on 13.04.2023. The Diary No. of the said Application is 2401105/00708/2023. The Copy of the IA for submission of the Preliminary report as well as Asset Memorandum is herein attached as Exhibit 'K'.

13. It is submitted that the Applicant and his team physically visited Kotak Mahindra Bank with the ICICI Bank in order to transfer the bank balance from these accounts to the Federal Bank Account in the name of the Corporate Debtor under Liquidation.
14. Whilst his visit to the Kotak Mahindra Bank, Bodakdev Branch, Ahmedabad, he realized that the ESIC and the EPFO has freeze the said account and a letter is required to be sent to these authorities requesting them to unfreeze the account in order to transfer the bank balance to the liquidation account. The Copy of the letter sent to ESIC and EPFO for unfreezing the account as on 22.06.2023 is herein attached as under Exhibit-‘L’. The Copy of the reply received from EPFO as on 06.07.2023 is herein attached as under Exhibit-‘M’. The Applicant and his team visited the EPFO Office several times in order to explain the dead lock to the officers.
15. It is stated that the Applicant/Liquidator and his team has further removed some objection raised by the Branch



Manager, ICICI Bank by sending clarificatory email dated 31.05.2023 annexed as Exhibit-'N'.

16. As submitted, the Applicant and his team visited EPFO Office as on 17.10.2023 for revocation of Stay on Bank account and as discussed, the applicant provided all the requisite documents to EPFO department. Copy of the letter for revocation along with its attachment is herein attached as under Exhibit 'O'. Owing to which, the EPFO department has revoked the stay on Bank account as on 31.10.2023, the Copy of the revocation order received from EPFO department is herein attached as under Exhibit 'P'.
17. As stated, the ESIC, after multiple visits by the applicant and his team, unfroze the bank account, facilitating the transfer of all funds from the Kotak Mahindra Bank account to the Liquidation Account at Federal Bank. A copy of the order by the ESIC unfreezing the bank account is herein attached as Exhibit 'Q'.
18. As stated, the applicant, in the 4<sup>th</sup> SCC Meeting discussed the distribution process of the Liquidation Estate, informed the SCC the total Bank Balance with the Corporate Debtor

in the name of Liquidation Estate, which was Rs.3.85 Lakhs. The Applicant/Liquidator also intimated the members as per Section 11(2) of the EPF & MP Act 192, the PF dues shall be deemed to be the first charge on the assets of the establishment and shall notwithstanding anything contained in any other law for the time being in force be paid in priority to all other debts. The relevant part of the aforesaid provision is reproduced herein below:

*“(2) Without prejudice to the provisions of sub-section (1), if any amount is due from an employer (whether in respect of the employee's contribution (deducted from the wages of the employee) or the employer's contribution), the amount so due shall be deemed to be the first charge on the assets of the establishment, and shall, notwithstanding anything contained in any other law for the time being in force, be paid in priority to all other debts.”*

19. In accordance with prevailing legal precedents as relied by the Applicant/Liquidator, the Provident Fund dues are recognized as third-party assets, thus falling outside the ambit of proceedings outlined in section 53 of the Insolvency and Bankruptcy Code and as mandated by law, the EPFO dues hold primacy as the first charge on the assets.

20. Thus, it is stated that, the Applicant further informed the members that the total bank balance in the Corporate debtor account is Rs.3.85 Lakhs, which will be fully adjusted against the EPFO claim amounting to Rs.15,33,611/- owing to the aforementioned explanation. The Copy of the Minutes of the 4th SCC is annexed as Exhibit 'J'.
21. It is stated that as per the discussion in the 4th SCC Meeting and in accordance with regulation 44(2) of the IBBI (Liquidation Process Regulation) 2016, the Applicant filed an Extension Application (IA/386(AHM)2024) seeking an Extension of 60 Days with this Tribunal on 22.02.2024. This Tribunal, via its order dated 28.02.2024 approved the aforementioned IA. The copy of the IA for Extension is herein attached as Exhibit 'S' and the Copy of the Order for the Approval of Extension is herein attached as Exhibit 'T'.
22. It is submitted that the, bank balance from the ICICI Bank as well as from the HDFC bank has been transferred to the Liquidation Estate Account as on 23.02.2024 and 18.03.2024 respectively thereby closing the bank accounts.

23. It is submitted that as per the discussion in the 4th SCC Meeting, the cheque amounting to Rs.3,85,195/- (Rupees Three Lakh Eighty-Five Thousand One Hundred and Ninety-Five Only) in favor of the EPFO Department on 21.03.2024. A copy of the Receipt of the said issuance is herein attached as Exhibit 'U'.
24. As stated, a letter requesting to **close the Liquidation Estate Account** has been sent the Federal Bank on 21.03.2024. The Copy of the letter dated 21.03.2024 is herein attached as under Exhibit 'V'.
25. It is stated that, the assets of the corporate person have been dealt with in full and distributed as per Regulation 41 of IBBI (Liquidation Process), 2017 and Further No litigation is pending against the corporate person.
26. It is submitted that the applicant distributed all the proceeds as per the norms. From the perusal of the Final Report, annexed at page 414 (Exhibit-'W'), it is submitted that as on date, the balance in the liquidation estate account is nil submitted as under:

Chandra Net Limited (Under Liquidation)			
CIN: U72200GJ1999PLC035595			
Audited Receipts and Payment Statement			
For the Period from 31.01.2023 i.e., Date of Commencement of Liquidation to 21.03.2024			
Payments	Amount	Receipts	Amount
<b>Liquidation Expenses</b>		<b>Opening Balance:</b>	
Mohit Solanki & Co	10,000		
The Geeta Advertising	4,914	State Bank of India	1,28,347
<b>Total Liquidation Expenses</b>	<b>14,914</b>		
Bank Charges	413	Kotak Bank	2,52,534
Employees' Provident Fund Organization	3,85,195	ICICI Bank	18,391
<b>Closing Balance</b>		HDFC Bank	1,250
<b>Total</b>	<b>4,90,520</b>		<b>4,90,520</b>

1. Total of Rs. 3,85,194/- (Rupees Three Lakh Eighty-Five Thousand One Hundred and Ninety-Four only) has been transferred from the bank accounts in the name of the corporate debtor in the following manner:

Sr No.	Name of the Bank	Amount deposited in the Liquidation Estate Account	Date of Transfer
1	State Bank of India	1,28,347	12.05.2023
2	Kotak Mahindra	2,52,534	05.02.2024
3	ICICI	18,391	23.02.2024
4	HDFC	1,250	18.03.2024

27. The applicant/Liquidator submitted a final report in which is attached to the present petition as Exhibit-'W' and the compliance certificate in form H is attached as Exhibit-'X'.

28. The compliance details of the liquidation are submitted as under:

Section of the Code Regulation No.	Description of Task	Timeline as per regulation 47	Actual Timeline
(1)	(2)	(3)	(4)
Section 33 and 34	Commencement of LCD and Appointment of Liquidator	31.01.2023 (Order dated 24.01.2023)	31.01.2023 (Order dated 24.01.2023)
Section 33(1)(b)(ii)/Reg. 12(1), (2) and (3)	Public Announcement in Form B	05.02.2023	01.02.2023

Reg. 35 (2)	Appointment of registered valuers	07.02.2023	07.02.2023
Section 38(1), Regs. 17, 18, 19, 20 and 21A	Submission of Claims; Intimation of decision on relinquishment of security interest	02.03.2023	02.03.2023
Section 38 (5)	Withdrawal/Modification of claims	16.03.2023	NA
Regulation 30	Verification of claims	01.04.2023	28.03.2023
Regulation 31A	Constitution of SCC	01.04.2023	29.03.2023
Section 40(2)	Intimation about decision of acceptance/rejection of claims	08.04.2023	28.03.2023
Regulation 31(2)	Filing the list of stakeholders	16.04.2023	29.03.2023
Section 42	Appeal by a creditor against the decision of the Liquidator	22.04.2023	NA
Regulation 13	Preliminary Report to AA	16.04.2023	13.04.2023
Regulation 34	Asset Memorandum	16.04.2023	13.04.2023
Regulation 15(1), (2), (3), (4) and (5) and 36	Submission of the Progress Reports to AA; Asset Sale Report to be enclosed with every Progress Report if sales are made	15.04.2023 15.07.2023 15.10.2023 15.01.2024	11.04.2023 15.07.2023 18.10.2023 12.01.2024
Proviso to Regulation 15(1)	Progress Report in case of cessation of Liquidator	Date of Cessation +15	NA
Regulation 37(2), (3)	Information to secured creditors	Date of Intimation +21	NA
Regulation 42(2)	Distribution of the proceeds to the stakeholders	Date of Realization +90	NA
Regulation 10(1)	Application to AA for Disclaimer of Onerous Property	30.07.2023	
Regulation 10(3)	Notice of Persons interested in the onerous Property or contract		
Regulation 44	Liquidation of Corporate Debtor	31.01.2024	
Regulation 46	Deposit the amount of unclaimed dividend and undistributed proceeds	NA	NA
Sch-1 Sl. No. 12	Time Period to H1 bidder to provide balance sale consideration	NA	NA

29. On 10.04.2024 this Bench directed the applicant/Liquidator to file a synopsis as per the format of this Tribunal. On

10.05.2024, the liquidator sought further time to produce the same. However, on 21.06.2024, the liquidator, in compliance of our order dated 10.05.2024 filed the certificate vide inward diary no. 4784 along with the certificate of Federal Bank issued on 14.05.2024 qua the closure of the liquidation account. The **Federal Bank** issued a certificate for the closure of the **A/c. No. 18000200002947** in the name of **“Chandra Net Limited in Liquidation”** closed on 18.05.2024. The same was taken on record and the order was reserved.

30. The applicant/liquidator, vide above document has produced details of the realization and distribution of the proceeds of the liquidation of the Corporate Debtor, M/s. Chandra Net Limited as below:

Sr. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security Interest	-	-	-	-	-
2	Liquidation Cost [Sec. 53(1)(a)]	30,264.00	30,264.00	0	-	



3	Workmen's Dues [Sec. 53(1)(b)(i)]	-	-	-	-	-
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	-	-	-	-	-
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	-	-	-	-	-
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	70,41,83,070.00	35,81,59,855.00	0.00	-	-
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]	29,98,17,559.00	29,98,17,559.00	3,85,195.00	25.12%*	-
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	3,67,56,949.00	3,62,56,948.94	0.00	-	-
9	Preference Shareholders [Sec. 53(1)(g)]	-	-	-	-	-
10	Equity Shareholders [Sec.53(1)(h)]	-	-	-	-	-
<b>Total</b>		<b>1,04,07,87,842.00</b>	<b>69,42,64,626.94</b>	<b>3,85,195.00</b>	<b>0.04%</b>	

31. We heard the Learned Counsel for the Applicant and perused the material available on record. At this juncture, it is relevant to point out Section 54 of the IBC, 2016 provides as follows:-

**Section 54:**

*“(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an*



*application to the Adjudicating Authority for the dissolution of such corporate debtor.*

*(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.*

*(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.”*

32. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has been completely liquidated. No assets are left with for any further disposal. Since the assets of the Corporate Debtor are completely liquidated, there remains nothing and no applications are pending in the matter. In the circumstances, as averred and as prayed for by the Applicant that an order for dissolution is to be passed by this Tribunal under Section 54(1) of the Code.

33. Accordingly, in exercise of the powers conferred under Section 54(1) of IBC, 2016, we pass the following order:-

i) The Adjudicating Authority in exercise of powers conferred to it under Section 54(2) of the IBC, 2016 orders that the Corporate Person (Applicant Company)

viz., **M/s. Chandra Net Limited** having CIN No. **U72200GJ1999PLC035595** stands dissolved from the date of this order.

- ii) The Registry of this Bench and the Applicant/liquidator is directed to serve a copy of this order to the RoC concerned, Income Tax Department and also to the IBBI within seven days from this order for information and necessary action.
- ii) The Applicant/Liquidator shall preserve physical or electronic copy of the reports, registers, and books of account referred to in Regulations 45A of the IBBI (Liquidation Process) Regulations, 2016 for at least eight years after the dissolution of the Corporate Debtor, either with himself or with an information utility.
- iii) Consequently, the Applicant/liquidator **Mr. Ritesh Adatiya** is hereby discharged from his duties and responsibilities as the liquidator of the Corporate Debtor.

24. In terms of the above, **IA(Dis.)No.11 of 2024** in **CP(IB) No. 74/AHM/2021** is allowed and stands disposed of.

-Sd-  
**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

-Sd-  
**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

AT