

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



ITEM No.301
C.P.(IB)/19(AHM)2024

Order under Section 59 IBC

IN THE MATTER OF:

Ashish Shah Liquidator of ECA Trading Services LimitedApplicant

.....Respondent

Order delivered on: 21/08/2024

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
THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD**



CP(IB)/19/59/(AHM)/2024

[Application under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 read with the Regulation 38(3) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 for dissolution of the Corporate Person]

In the matter of **M/s. ECA Trading Services Limited**

M/s. ECA Trading Services Limited

(Under Voluntary Liquidation) Having its office address registered with IBBI at:
402, Shaival Plaza, Near Gujarat College,
Ellisbridge, Ahmedabad, Gujarat-380006.

Through its Liquidator, **Mr. Ashish Shah**

... LIQUIDATOR / APPLICANT

ORDER PRONOUNCED ON 21.08.2024

CORAM:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Applicant: Mr. Ashish Shah, Liquidator
(In person)

O R D E R

1. The present Company Petition filed by M/s. ECA Trading Services Limited bearing CIN: **U51100GJ1956PLC000597** through its Liquidator **Mr. Ashish Shah, Insolvency Professional, holding registration No: IBBI/IPA-** ✓



002/IP-N00214/2017- 18/10666 in relation to the voluntary liquidation of, under Section 59(7) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016"), seeking dissolution of the Company.

2. The Applicant has prayed from this Tribunal following reliefs:

- (i) *"That the Hon'ble National Company Law Tribunal, Ahmedabad Bench, be pleased to confirm the Special Resolution passed by the Corporate Person on 18th December 2021 for Voluntary Liquidation of the Corporate Person and order dissolution of the Corporate Person.*
- (ii) *That the Hon'ble National Company Law Tribunal, Ahmedabad Bench, be pleased to direct Jurisdictional ROC to change the status of Company from "Active" / "Under Liquidation" to "Dissolved".*
- (iii) *Such further and other order as the Hon'ble National Company Law Tribunal members may deem fit, may please be passed."*

3. The Applicant Company was originally incorporated on 31.03.1956 with the CIN:U51100GJ1956PLC000597 with the Registrar of Companies, Gujarat in the name and style of "Ahmedabad Commodity Exchange Limited." As submitted, the company changed its name to "ACE Derivatives and Commodity Exchange Limited" w.e.f. 18.05.2010 which was further changed to "ECA Trading

 Services Limited" w.e.f 18.09.2019. The applicant has annexed the certified copies of the certificates of incorporation with the present petition as Annexure-“A”.

4. It is submitted that the Authorised Share Capital of the company is Rs.2,00,00,00,000/- divided into 20,00,00,000 Equity Shares of Rs.10/- each and the Paid-up share capital of the Company is Rs.109,48,92,520/- divided into 10,94,89,252 Equity Shaes of Rs.10/- each. The certified copy of the Audited Balance Sheet as on 31.03.2023 is attached to the present petition as Annexure-“C”.
5. It is submitted that M/s. ECA Trading Services Limited was incorporated as stock exchange. Later on the Corporate Person, in accordance with the provisions of the Securities and Exchange Board of India (“SEBI”) exited as an exchange vide SEBI exit order dated 31.12.2018.
6. It is further stated that post exiting, as an Exchange, the Company made several attempts to revive the business and the Board discussed various options of reviving the business activity but due to the Company being a non-going concern, capital raising constraint and due to risks and challenges foreseen, no value accretive option was found viable. Hence, the Board of Director of the Company, after detailed discussions in their **Board Meeting held on 22.10.2021** unanimously suggested and granted their approval for the Voluntary Liquidation/ Dissolution of the Company by appointing the Liquidator.



7. Hence, the Board of Directors, in their meeting dated **12.11.2021** granted their approval for appointment of Mr. Ashish Shah, Insolvency Professional, having IP Registration No.IBBI/IPA-002/IP-N00214/2017-18/10666 to represent and assist the Voluntary Liquidation/ Dissolution of the Corporate Person.
8. As required under Section 59(3) of the Insolvency and Bankruptcy Code, 2016 and Regulation 3(1) of te IBBI (Voluntary liquidation Process) Regulations, 2017, the majority of the directors have executed a declaration of solvency. The copies of which are annexed to the present petition as Annexure-“D”.
9. It is stated that the Corporate Person passed the necessary Special Resolution in its Extra Ordinary General Meeting (“EOGM”) held on 18.12.2021 to liquidate the affairs of the company. The said resolution was passed through an “e-voting” on **20.12.2021**, which was certified by the scrutinizer appointed for the meeting. It is stated that the Voluntary Liquidation Process was commenced on **20.12.2021**. The certified copies of the resolution passed at the said EOGM along with its explanatory statement and scrutinizer report is enclosed and annexed as Annexure- “E” to the present petition.
10. It is stated that as per the provision of section 59(4) of IBC, 2016, the Company requires to notify the Registrar Companies of the voluntarily liquidation of the Company ✓

within seven days of passing the resolution, the applicant company duly notified the Registrar of the Companies about the voluntary liquidation and appointment of Liquidator in Form MGT14. As submitted, the necessary E-form MGT-14 and certified copy of the Special Resolution along with explanatory statement was uploaded on the portal of the Ministry of Corporate Affairs vide SRN T66395369 on **23.12.2021**. A copy of form MGT-14 along with its receipt is enclosed as Annexure-“F” to the instant petition.

11. It is submitted that the registered office of the corporate person is situated in the State of Gujarat. Therefore, the corporate person declares that the subject matter of the application is appropriately within the jurisdiction of the National Company law Tribunal, Ahmedabad Bench at Ahmedabad.
12. The applicant further submits that the application is within the period of limitation prescribed for the present application under the Insolvency and Bankruptcy Code, 2016.
13. As required under Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 on **24.12.2021**, the Liquidator made public announcement in the newspapers in “Times of India” (Ahmedabad English edition), “Business Standard” (Mumbai English edition), “Divya Bhaskar” (Ahmedabad Gujarati edition) and in “Nav Shakti” 

(Mumbai Marathi edition) which were published on **25.12.2021**. The copies of public announcement in Form-A and the copies of advertisement in aforementioned newspapers are attached to the present petition as Annexures-“G” and “H” respectively.

14. As per the requirements under Regulation 9 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, a preliminary report was submitted by the Liquidator, Mr. Ashish Shah to the Corporate Person on **07.02.2022**. A copy of the said Preliminary Report is enclosed as Annexure-“I” to the instant petition.
15. As per the requirement under Regulation 34(1) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, the existing Bank Account of the Corporate Person was converted into Liquidation Account. As mentioned, the said account was being maintained with the Kotak Mahindra Bank, Ghantakarna Branch, Ahmedabad, Gujarat, bearing A/c. No: 08112650000045 as mentioned under Para 4(viii) in the present petition.
16. As stated, the Registrar of Companies was informed regarding the liquidation of the corporate person under voluntary liquidation and the appointment of the liquidator on 23.12.2021. The Provident Fund department wa informed on 06.01.2022. The Income Tax Department and Jurisdictional GST offices (i.e. Gujarat and 

 Maharashtra) were intimated about the Member's Voluntary Liquidation and appointment of Liquidator on 27.12.2021. It is submitted that the applicant did not receive any reply from the Income Tax Department.

17. As submitted by the Applicant, vide letters dated 12.12.2023, it intimated the process of making application for the dissolution of the corporate person before the NCLT, to the Registrar of Companies, Income Tax Department, PF and GST authorities. The copies of letters dated 12.12.2023 are annexed as Annexure-“K” to the present petition.
18. It is submitted that the Liquidation process of the Corporate Person took almost 12 months and a separate meeting of the contributors was held on 02.01.2023. The copy of minutes of meeting of the contributors is enclosed as Annexure-“L”.
19. As stated, the Liquidator realized amount from the Fixed Deposits maintained with the Kotak Mahindra Bank as well as Income Tax Refund. After settling all liabilities including the payment of various costs incurred during the process and taxes, the Liquidator has distributed an amount of Rs.17,60,74,981/- between the stakeholders in proportion to their shareholding. The details of distribution made between the stakeholders are annexed as Annexure-“M” at pages – 108 to 115 of the present petition.
20. It is further stated that out of total amount of

Rs.17,60,74,981/-, an amount of Rs.38,33,120/- remained unclaimed and the same was transferred to IBBI prior to filing of this application.

Liquidator's Account from 20.12.2021 (commencement of Voluntary Liquidation) to 18.12.2023

Receipts Details of Receipts	INR	Payments Details of Payments	INR
Balance at Bank (On Commencement of Liquidation)	1,51,26,492	Distribution to Shareholders	17,22,41,861
Redemption of Fixed Deposits	16,07,98,091	Unclaimed amount transferred to Insolvency and Bankruptcy Board of India (IBBI)	38,33,120
Interest on Fixed Deposits	19,51,176	Liquidation Costs:	
Income-tax Refund AY 2022-23	4,75,372	Fees of Liquidator (including GST)	2,95,000
		Advertisement Expense	99,965
		RTA Charges	2,97,826
		NSDL - Depository Charges	1,62,000
		Staff Salary	3,67,329
		Record Management and Storage	2,01,681
		Rent Expenses	74,336
		PF Expenses	51,629
		Fees paid to PF/Payroll/Management Consultant, Auditor(s), GST, TDS and ROC Filing related work and Tax Consultant(s)	5,12,005
		Statutory Payments (Professional Tax, TDS and GST)	1,83,044
		Other Misc. exps (Bank Charges, Speed Post, Courier, Conveyance to staff, reimbursement, etc)	31,335
Total Receipts	17,83,51,131	Total Payments	17,83,51,131

21. After the distribution was made between the stakeholders and paying of tax liabilities, the Liquidator requested to close the current account maintained with the Kotak Mahindra Bank, Ghantakarna Branch, Ahmedabad, Gujarat, bearing A/c. No: 08112650000045 vide letter dated 19.12.2023. The acknowledgement of closure of the said account is annexed as Annexure-“N” at pages no 116. Thereafter the liquidator filed another affidavit dated 28.07.2024 vide diary no. D5678 along with a copy of the closure certificate dated 10.07.2024 issued by the Kotak Mahindra Bank, whereby, liquidation account was shown closed on **06.01.2024**.

22. As required under Rule 38 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, on completion of

the liquidation process, the Liquidator prepared a Final Report and the same was submitted with the Registrar of Companies, Gujarat on 19.12.2023 vide SRN AA6415663 and also to the Insolvency and Bankruptcy Board of India on 20.12.2023. A copy of Final Report along with the proof of sending the same to the IBBI and Form GNL-2 along with its paid challan is enclosed as Annexure-“O”.

23. As required under Rule 38(3), the Liquidator has prepared compliance certificate in Form-H, a copy of which is annexed as Annexure-“P”.
24. It is submitted that the Liquidator has completed whole liquidation process according to the Insolvency and Bankruptcy (Voluntary Liquidation Process) Regulations, 2017.
25. The applicant has submitted synopsis and realization of the proceeds after liquidation in this Bench on 07.12.2023 vide Diary No. D-4952 as per follows:

S No. (1)	Compliance (2)	(Yes / No) (3)	Reference (4)
1.	(Sec. 59(3)(a) read with Regulation 3(4)) Declaration by way of an Affidavit from majority of the Directors to be filed.	Yes	Annexure - D (Page-65 to 74)
2.	(Sec. 59(3)(b)(ii)) Audited Financial Statements and record of business operations for the previous two years to be filed.	Yes	Annexure-C (Page-47 to 64)
3.	(Sec. 59(3)(b)(iii)) Valuation Report to be filed.	No	CD was possessing only liquid asset i.e fixed deposits with bank. Therefore, valuation was not carried out. Annexure-B (Page- 75 to 81)
4.	(Sec. 59(3)(c)(i)) Special Resolution requiring the Company to be liquidated voluntarily and appointing an insolvency professional within 4 weeks from the Declaration made under Section 59(3)(a).	Yes	
5.	(Proviso to Sec. 59(3)(c)) Approval of Resolution passed under Section 59(3)(c) by creditors (2/3 rd in value) if any, within 7 days from the date of Resolution.	No	There were no creditors as on liquidation date. Hence approval under provision to Sec 59(3)(c) is not applicable
6.	(Sec. 59(4)) Intimation to RoC & IBBI within 7 days from the date of the Resolution under 59(3)(c) or after approval of the creditors	Yes	Annexure-J (Page- 93 to 101)

7.	(Regulation 14) Proof of Public Announcement made in 'Form - A' within 5 days from the date of appointment	Yes	Annexure-G (Page-86)
8.	(Regulation 30) List of Stakeholders in case of claims under Chapter V of the Regulations	No	No claims received during the liquidation process.
9.	(Regulation 9) 'Preliminary Report' along with proof of submission of the same to the Company within 45 days from the LCD	Yes	Annexure-I (Page-91-92)
10.	(Regulation 34) Opening of Bank Account in the name of the Company followed by the words 'in liquidation' in a Scheduled Bank	Yes	Refer para viii of the application at Page-5
11.	Proof of Closure of the above Bank Account and any other account in the name of the Company	Yes	Annexure-N (Page-116)
12.	(Regulation 35) Proof of distribution within six months from the receipt of realization	Yes	Annexure-M (Page-108 to 115)
13.	(Regulation 38) 'Final Report' along with proof of submission of the same to RoC & IBBI	Yes	Refer para xiii of the application at Page-7 Annexure-O at page-117 to 132
14.	(Regulation 37) Completion of liquidation process within twelve months from LCD	No	Refer para x of the application at Page-6
15.	(Regulation 37) Annual Status Report prepared (if any)	Yes	Attached with Synopsis

16. REALISATION:

Sl. No.	Particulars	Amount (Rs)
(1)	(2)	(3)
1	Sale of Assets	NIL
2	Refund from Statutory Authorities	4,75,372
3	Cash / Bank balance	1,51,26,492
4	Realization of uncalled/unpaid capital contribution	0
5	Distribution of unsold asset	0
6	Any other (Please specify)	16,27,49,267
Total		17,83,51,131

26. The details of distribution as submitted by the

[Signature]

applicant is as under:

17. DISTRIBUTION:

Sl. 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 [Sec. 52(1)(b)]	NIL	NIL	NIL	NIL	
2	Liquidation Cost [Sec. 53(1)(a)]	NA	NA	22.76	100	
3	Workmen's Dues [Sec. 53(1)(b)(i)]	NIL	NIL	NIL	NIL	
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]	NIL	NIL	NIL	NIL	
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]	NIL	NIL	NIL	NIL	
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]	NIL	NIL	NIL	NIL	
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec. 53(1)(e)]	NIL	NIL	NIL	NIL	
8	Any remaining Debts and Dues [Sec. 53(1)(f)]	NIL	NIL	NIL	NIL	
9	Preference Shareholders [Sec. 53(1)(g)]	NIL	NIL	NIL	NIL	
10	Equity Shareholders [Sec. 53(1)(h)]	NA	NA	1760.75**	100	Note-1
Total		NIL	NIL	1783.51	100	

27. Thus, on examining the submissions made by the Applicant and after perusing the documents annexed to the Petition it appears that the affairs of the Company have been completely wound up and the assets of the Applicant Company have been completely liquidated and as such the Applicant Company deserves to be dissolved. Accordingly, in exercise of the powers conferred under Section 59(8) of IBC, 2016. Hence, we pass the following

order:-

- i). This Adjudicating Authority in exercise of powers conferred to it under Section 59(8) of the IBC, 2016 orders that the Corporate Person (Applicant Company) **M/s. ECA Trading Services Limited** having CIN: U51100GJ1956PLC000597 shall stand dissolved from the date of this order.
- ii) Consequently, the liquidator Mr. Ashish Shah is discharged from his duties and responsibilities as the liquidator.
- iii) The Registry of this Bench and the Liquidator are directed to serve a copy of this order upon the Registrar of Companies, Gujarat, Income Tax Department and also to IBBI, within 14 days from the date of this Order for information and necessary action.
- iv) The Liquidator shall preserve a physical or an electronic copy of the reports, registers and books of account referred to in Regulations 8 and 10 of IBBI Regulations for at least eight years after the dissolution of the Corporate Person, either with himself or with an information utility.

28. Accordingly, the present application i.e., **CP(IB)/19/59/(AHM)/2024** stands allowed and disposed of

- Sd -

SAMEER KAKAR
MEMBER (TECHNICAL)

- Sd -

SHAMMI KHAN
MEMBER (JUDICIAL)

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