IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.301 - IA(Dis.)/15(AHM)2026
in
CP(IB) 49 of 2017

Under Section 54 of IB Code 2016

IN THE MATTER OF:

Mr. Premraj Ramratan Laddha Liquidator of Somnath Textile Private Limited ....**Applicant**

V/s

State Bank of India & Ors ....**Respondent**

Order delivered on: 15/07/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

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

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT–I, AHMEDABAD

I.A. (Dis.)/15(AHM)/2026
In
CP (IB) No. 49 of 2017

[Application under Section 54 of Insolvency and Bankruptcy Code, 2016]

IN THE MATTER OF:

Mr. Premraj Ramratan Laddha,
Liquidator of M/s. Somnath Textile Private Limited
Having address at: 304, Abhijit – 3, Mithakhali – Law Garden Road, Ellis Bridge, Ahmedabad, Gujarat – 380 006, India

.... Applicant
[Liquidator]

Versus

1. **State Bank of India**
SAM Branch, Ahmedabad
Having Address at:
4th Floor, Old LHO Building
Lal Darwajha, Ahmedabad – 380 001

2. **Paresh Patel**
Residing at: A504, Vinayak Residency, Parvat Patiya, Magol, Surat – 395 010

3. **Parul Patel**
Residing at: A504, Vinayak Residency, Parvat Patiya, Magol, Surat – 395 010

......Respondents

Order Pronounced on 15.07.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant : Mr. Vishal Raval, Advocate

O R D E R
(*Per:* Bench)

1. The present Application IA(Dis.)15(AHM)2026 has been filed under Section 54 of Insolvency and Bankruptcy Code, 2016 for dissolution of the Corporate Debtor, i.e. M/s. Somnath Textile Private Limited with the following prayers:

a) Your Lordships may be pleased to allow the present Application;

b) Your Lordships may be pleased to pass an order under Section 54 of the Insolvency and Bankruptcy Code, 2016 for Dissolution of the Corporate Debtor;

c) The Hon'ble Tribunal be pleased to discharge the Undersigned from his duty as Liquidator of the Corporate Debtor;

d) To grant any other relief as may deem fit in the interest of justice.

2. The Applicant/Liquidator has placed the facts through the I.A. and documents in the following manner: -

a. The Corporate Debtor is a company incorporated under the Companies Act, 1956 (CIN:

U17120GJ2010PTC063332), with its registered office in Surat, Gujarat, and was engaged in the textile fabrics business.

b. It is submitted that the Corporate Debtor filed an application under Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC) to initiate the Corporate Insolvency Resolution Process (CIRP), which this Adjudicating Authority admitted vide order dated 28.07.2017 in C.P. (I.B.) No. 49 of 2017 (**Annexure-A**). The Applicant was subsequently confirmed as the Resolution Professional by the Committee of Creditors (CoC) on 29.08.2017.

c. Thereafter, this Adjudicating Authority passed a liquidation order under Section 33 of the IBC vide order dated 05.02.2018 in I.A. No. 37 of 2018, appointing the Applicant as the Liquidator of the Corporate Debtor under Section 34 of the IB Code, 2016 (**Annexure-B**).

d. The Applicant issued a public announcement on 09.02.2018 pursuant to Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016, in *Divya Bhaskar* (Gujarati) and *Times of India* (English), inviting claims from stakeholders (**Annexure-C**). In response, the Applicant received various claims during the liquidation process. The sole secured financial creditor, State Bank of India, relinquished its security interest in favour of the liquidation estate during the first Stakeholders' Consultation Committee (SCC) meeting on

19.07.2019, confirming the same via a relinquishment letter dated 17.09.2019 (**Annexure-D**).

e. Subsequently, the promoters of the Corporate Debtor, through a related party, M/s Kapil Fabrics Pvt. Ltd., preferred an Interlocutory Application, being I.A. No. 99 of 2018, seeking a stay on the liquidation order. This Tribunal initially directed the parties to maintain status quo vide order dated 21.03.2018, which was later vacated vide order dated 24.06.2019. Ultimately, vide order dated 22.01.2020, this Tribunal dismissed I.A. No. 99 of 2018 as devoid of merits and directed the Liquidator to proceed with the liquidation process (**Annexure-E Colly**).

f. The stakeholder list was prepared and filed on 23.07.2019 in compliance with Regulation 31 of the IBBI (Liquidation Process) Regulations, 2016. It was subsequently revised upon receipt of the Income Tax Department's claim dated 10.03.2021 and filed with the quarterly progress reports. The details of the stakeholders are as under:-

Sr. No.	Name of the Stakeholder	Amount of Claim Admitted (in Rupees)	Securities Interest	Remark
1	State Bank of India	47,95,18,747/-	Secured	Financial creditor
2	Assistant Commissioner of Income-tax (Benami Prohibition), Initiating Officer, Surat	11,04,30,000/-	Unsecured	Delayed claim of operational creditor

(A copy of the List of Stakeholders filed on 23.07.2019 and a copy of modified List of Stakeholders filed with quarterly progress reports are annexed as **Annexure-F Colly**)

g. The Applicant submitted the Preliminary Report and Asset Memorandum, both dated 23.07.2019, in compliance with Regulations 13, 15, and 34 of the IBBI (Liquidation Process) Regulations, 2016. Further, pursuant to the first SCC meeting held on 19.07.2019, two independent valuers conducted fresh valuations of the Corporate Debtor's assets, determining an average realisable liquidation value of ₹6.26 crores. Copies are annexed as **Annexures-G, H and I**)

h. In accordance with Section 35(f) of the Insolvency and Bankruptcy Code, 2016 and Regulations 32A and 33 of the IBBI (Liquidation Process) Regulations, 2016, the Applicant published auction notices in newspapers and conducted multiple e-auctions for the sale of the Corporate Debtor's assets. The details of the e-auctions are as follows:

S. No.	Date of Notice	Date of E-auction	Detail of Assets	Reserve Price (Rs. in lakh)	Results
1	14.11.2019	30.11.2019	Land, building and plant & Machinery	667.25	Successful partly (plant machinery sold)
2	01.02.2020	20.02.2020	Land and building	585.00	Unsuccessful
3	04.07.2020	24.07.2020	Land and building	527.00	Unsuccessful
4	04.08.2020	25.08.2020	Land and building	527.00	Unsuccessful
5	04.09.2020	30.09.2020	Land and	500.00	Unsuccessful

			building		
6	16.10.2020	05.11.2020	Land and building	490.00	Unsuccessful
7	20.11.2021	08.12.2020	Land and building	475.00	Unsuccessful
8	12.01.2021	27.01.2021	Land and building	475.00	Unsuccessful
9	06.02.2021	25.02.2021	Land and building	460.00	Unsuccessful
10	20.05.2021	05.06.2021	Land and building	460.00	Successful (Land and building sold)

The copies of each E-auction public announcement are annexed as **Annexure - J Colly**.

Following the successful e-auction on 30.11.2019, the Applicant prepared the Asset Sale Report on 31.12.2019 under Regulation 36 for the sale of plant and machinery. A Sale Certificate dated 24.12.2019 was issued to Mr. Shah Gulam Mustufa, Proprietor of Nine Star Trading, for Rs.1.50 Crore plus GST, and possession was handed over.

Subsequently, following the successful e-auction on 05.06.2021, the Applicant prepared the Asset Sale Report on 13.10.2021 for the sale of land and building. A total consideration of Rs.4.60 Crore, along with Rs.2,72,220/- as delayed payment interest, was received. The Conveyance Deed was executed and registered on 05.08.2021 in favour of Mr. Kadvabhai Devshibhai Monpara, and possession along with title documents was handed over to the successful bidder.

(The copies of E-auction results dated 30.11.2019 & 05.06.2021, Asset sale reports dated 31.12.2019 &

13.10.2021 are marked and annexed hereto as **Annexure - K Colly**).

i. It is submitted that on 10.03.2021, the Assistant Commissioner of Income Tax (Benami Prohibition), Surat issued a provisional attachment order under Section 24(3) of the Prohibition of Benami Property Transactions Act, 1988 and initiated proceedings under the PBPT Act. The Liquidator challenged the attachment by filing IA No. 284/2021, pursuant to which the NCLT, Ahmedabad, by order dated 09.06.2021, directed that the sale proceeds of auctioned assets should not be distributed. Subsequently, the ACIT filed IA No. 382/2021 seeking a stay on the e-auction, and by order dated 19.07.2021, the NCLT restrained the Liquidator from disbursing the sale proceeds until disposal of the application. Thereafter, the Adjudicating Authority under the PBPT Act, by order passed in May 2022, held that the Corporate Debtor's assets were not benami properties. Consequently, IA No. 382/2021 was disposed of by the NCLT on 01.08.2022, permitting the Liquidator to continue the liquidation process in accordance with law. The copies of order of adjudicating authority dated 09.06.2021, 19.07.2021 and 01.08.2022 are annexed as **Annexure - L Colly**).

j. It is submitted that the Transaction Audit Report prepared by HSVJ & Co., Chartered Accountants was submitted on 19.03.2021. Based on the report, the

Liquidator filed IA No. 661/2021 under Sections 43, 45, 50, and 66 of the Insolvency and Bankruptcy Code, 2016, seeking reversal of avoidable and fraudulent (PUFE) transactions. Subsequently, on the Tribunal's directions, a separate IA No. 986/2023 was filed for transactions under Section 66. The SCC also resolved that proceedings relating to avoidance and fraudulent transactions would continue after the closure or dissolution of the liquidation process, with any recoveries to be distributed among stakeholders in accordance with Section 53 of the IB Code, 2016.

k. It is submitted that in October 2022, the Liquidator filed IA No. 904/2022 seeking dissolution of the Corporate Debtor under Section 54 of the IBC, 2016 read with Regulation 45(3) of the Liquidation Process Regulations, along with the Final Report and Form-H. However, by order dated 09.09.2024, the NCLT dismissed the application as premature due to the pendency of IA No. 661/2021 and IA No. 986/2023 concerning avoidance and fraudulent transactions under Sections 43, 45, 50, and 66 of the IBC. These applications were last heard on 08.06.2026, and are next listed for hearing on 03.07.2026. Following the dismissal of the dissolution application, the Liquidator proposed assigning or transferring the avoidance proceedings to the NRRA or authorizing the financial creditor to pursue them; however, the SCC deferred the proposal until the proceedings are finally decided. The same are annexed as **Annexure – M and N**.

l. The Applicant submitted that, throughout the liquidation process, the Applicant regularly convened meetings of the Stakeholders' Consultation Committee in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the applicable Regulations. Copies of the Reports of the Stakeholders' Consultation Committee Meetings are collectively annexed hereto and marked as **Annexure – O1 to O34 (Colly).**

m. It is further submitted that Progress Reports, as prescribed under Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, were periodically filed before this Adjudicating Authority. During the pendency of I.A. No. 904 of 2022 in C.P. (I.B.) No. 49 of 2017 seeking dissolution under Section 54 of the Insolvency and Bankruptcy Code, 2016, no separate Progress Report was filed, and the progress pertaining to the said period was duly incorporated in the subsequent Progress Report for the quarter ended 31st December, 2024. Copies of the orders passed in the said Progress Reports are collectively annexed hereto and marked as **Annexure – P (Colly)**

n. It is submitted that except the I.A. No. 661 of 2021, I.A. No. 986 of 2023 in C.P. (I.B.) No. 49 of 2017 and O.A. No. 614 of 2016 pending before the Debts Recovery

Tribunal-II, Ahmedabad, no other litigation is pending against the Corporate Debtor before any Court, Tribunal or Forum. Pursuant to the resolutions passed by the Committee of Creditors in its meetings held on 28.04.2026 and 12.06.2026, State Bank of India, SAM Branch, Ahmedabad has been authorised to prosecute the pending avoidance/fraudulent transaction (PUFE) proceedings, and applications for substitution of the Liquidator with State Bank of India have been filed before this Tribunal. Copies of the relevant minutes of the meetings are annexed as **Annexure – 033 & 034.**

o. The Applicant further submitted that the Committee of Creditors, in its final meeting held on 12.06.2026, resolved to file the present application seeking dissolution of the Corporate Debtor. The Liquidator has completed the liquidation process, including maintenance and closure of the liquidation bank account after distribution of the liquidation proceeds in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016. The audited Cumulative Receipts and Payments Account for the liquidation period has also been prepared. Copies of the bank account statement and closure certificate are collectively annexed as **Annexure – Q (Colly)** and the audited Cumulative Receipts and Payments Account are annexed as **Annexure – R.**

p. It is submitted that although the liquidation order was passed on 05.02.2018, the liquidation process could not be concluded within the prescribed period. The earlier dissolution application, being I.A. No. 904 of 2022, came to be dismissed by order dated 09.09.2024, where after this Tribunal granted extensions of the liquidation period from time to time. Copies of the orders granting such extensions are collectively annexed hereto as **Annexure – S (Colly)**

q. The Applicant submitted that the liquidation of the Corporate Debtor has been completed in accordance with the provisions of the IB Code, 2016 and the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Accordingly, the present application has been preferred under Section 54 of the IB Code, 2016 read with Regulation 45(3) of the IBBI (Liquidation Process) Regulations, 2016, seeking dissolution of the Corporate Debtor. The Final Report dated 27.06.2026, along with the last Progress Report for the period from 01.04.2026 to 26.06.2026 and the Compliance Certificate in Form H dated 27.06.2026, are collectively annexed as **Annexure – T (Colly)** and **Annexure – U**, respectively.

r. The Applicant further submitted that there is no unclaimed dividend or undistributed liquidation proceeds remaining with the Applicant and, therefore, no amount is required to be transferred to the Corporate

Liquidation Account. It is further submitted that no stakeholder has raised any objection to the dissolution of the Corporate Debtor in the meetings of the Committee of Creditors. The Applicant also affirms that no other application relating to the subject matter of the present application has been filed before any other Court or Tribunal, including the Hon'ble Supreme Court of India, and craves leave of this Adjudicating Authority to amend or supplement the present application, if so required.

3. The Applicant/Liquidator submitted a tabulation representation of the details of the Assets as per Asset Memorandum and Final Sale Report are as under:-

Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realization Amount(Rs.)	Date of Transfer to Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)
1	Land and Building	Standalone-e-auction sale	56532500	46000000	N.A.
2	Plant and machinery	Standalone-e-auction sale	6123750	15500000	N.A.
	TOTAL		62656250	61500000	

4. The Applicant/Liquidator submitted a tabulated representation of the distribution of proceeds under Sections 52 or 53 of Code are as under:

Sl. No.	Section 53(1)	Stakeholders under Section 53(1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed
1	(a)	Insolvency resolution process costs and the liquidation costs	0	3688480	3688480	100%
2	(b)(i)	Workmen's dues	NIL	NIL	NIL	NIL
3	(b)(ii)	Debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in Section 52	479518747	479518747	85636768	17.9%
4	(c)	Wages and any unpaid dues owed to employees other than workmen	NIL	NIL	NIL	NIL
5	(d)	Financial debts owed to unsecured creditors	NIL	NIL	NIL	NIL
6	(e)(i)	Any amount due to the Central Government and the State Government	110430000	110430000	0	0
7	(e)(ii)	Debts owed to a secured creditor for any amount unpaid	NIL	NIL	NIL	NIL
8	(f)	Any remaining debts and dues;	NIL	NIL	NIL	NIL
9	(g)	Preference shareholders, if any;	NIL	NIL	NIL	NIL
10	(h)	Equity shareholders or partners	NIL	NIL	NIL	NIL
Total			589948747	589948747	89325248	0

5. The liquidation process has been conducted broadly in accordance with the timeline prescribed under Regulation

47 of the IBBI (Liquidation Process) Regulations, 2016, as detailed hereunder: -

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 liquidation and appointment of liquidator	0 = T	T (Date of order)
Section 33(1) (b)(ii)/Reg.12	Public announcement in Form B	T + 5	T + 1
Reg. 35(2)	Appointment of registered valuers	T + 7	T + 47
Reg. 8	First meeting of committee creditors	T + 7	
Reg. 16 / Sec. 52 and Reg. 21A	Submission of claims	T + 14	T + 30
	Intimation of decision on relinquishment of security interest		
Reg. 30	Verification of claims received under regulation 16	T + 21	T + 37
Reg. 30	Intimation about decision of acceptance/rejection of claim	T + 28	T + 44
Reg. 31(2)	Filing the list of stakeholders	T + 44	T + 79
Reg. 15	Submission of progress reports to AA	Q1 + 15 Q2 + 15	Quarterly basis
Proviso to Reg. 15	Progress report in case of cessation of liquidator	Date of cessation + 15	N.A.
Reg. 42(2)	Distribution of the proceeds to the stakeholders	Date of Realisation + 15	*Within 90 days
Reg. 44	Liquidation of corporate debtor	T + 180	T + 3063
Reg. 46	Deposit the amount of unclaimed dividends and undistributed proceeds	N.A.	N.A.
Sch-1 Sl. No. 12	Time period to H1 bidder to provide balance sale consideration	N.A.	N.A.

*The Following period is excluded from actual period which is also the reason for delay in completion of the liquidation process

a. The period from 21.03.2018 to 24.06.2019 for which liquidator was directed by the AA to maintain status quo and not to proceed with liquidation process vide order of AA dated 21.03.2018.
b. The period from 19.7.2021 to 01.08.2022 for which liquidator was directed by the AA not to dispose the sale proceed vide order of AA dated 19.07.2021.
c Lockdown imposed during Covid-19 pandemic and covid infection to liquidator
d. The dissolution application filed on 22.09.2022 and disposed/dismissed of on 09.09.2024, in view of pending adjudication of avoidance/fraudulent transactions application.

6. We have heard the Learned Counsel for the Applicant/Liquidator and perused the material available on record.

7. The Liquidator has filed the Final Report and Compliance Certificate in Form H as required under Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 which contains the details of the Liquidation Process. No assets are left for any further disposal. The realizations available during liquidation have been duly accounted for in accordance with the Code and the liquidation process stands concluded. Hence, the Corporate Debtor is required to be dissolved under Section 54(2) of IB Code, 2016.

8. The Tribunal is also satisfied that the Liquidator has complied with the requirements relating to preservation of records under Regulation 45A of the IBBI (Liquidation Process) Regulations, 2016.

9. **Findings and Observation of this Tribunal:**

a) Section 54 of the IBC, 2016 provides for dissolution which is reproduced 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."

b) Upon consideration of the Application, Final Report, Form H and documents placed on record, this Tribunal is satisfied that the Corporate Debtor has been completely liquidated and no asset remains for further realization.

c) The Compliance Certificate in Form H has been examined. No material irregularity in the liquidation process has been brought to the notice of this Tribunal. The Tribunal also notes that the Stakeholders' Consultation Committee approved filing of the present application with 100% voting share.

d) This Tribunal further observes that the pendency of applications relating to avoidance or fraudulent transactions does not preclude dissolution where the liquidation process has otherwise concluded and appropriate arrangements have been made for continuation of such proceedings in accordance with law.

e) Accordingly, no useful purpose would be served by keeping the Corporate Debtor in existence and it is liable to be dissolved under Section 54(2) of the Code.

10. The Tribunal is satisfied that the Liquidator has complied with the requirements of Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016 by filing the Final Report, Compliance Certificate in Form H, Asset Sale Report, Progress Reports and Statement of Receipts and Payments.

11. Based on the above observations and in exercise of the powers conferred under Section 54(2) 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 Debtor **M/s. Somnath Textile Private Limited** having CIN No. U17120GJ2010PTC063332 shall stand **dissolved** with effect from the date of this order in terms of Section 54(2) of the Code.

ii) The dissolution of the Corporate Debtor shall not affect the adjudication, continuation or outcome of the pending avoidance and fraudulent transaction proceedings or any consequential relief that may be granted therein in accordance with law.

iii) The Applicant/Liquidator shall preserve physical or electronic copies of all reports, registers, books of account, and minutes referred to in Regulations 45 and 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, and make them available for inspection as required.

iv) Consequently, the Applicant/Liquidator **Mr. Premraj Ramratan Laddha** is hereby discharged from his duties and responsibilities as the liquidator of the Corporate Debtor.

v) The Registry of this Bench and the Applicant/Liquidator are directed to serve a copy of this order upon the RoC concerned, Income Tax Department and also to the IBBI within seven days from this order for information and necessary action.

12. Accordingly, with the above directions, the present application i.e. **IA(Dis.)15(AHM)2026** in CP (IB)/49(AHM)/2017 stands ***allowed*** and **disposed** of.

-Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)
Sweta/Steno

— SD —

SHAMMI KHAN
MEMBER (JUDICIAL)