

**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH**

**IA No. 1733/2023**

**In**

**CP (IB) No. 286/CHD/PB/2020  
(Admitted matter)**

**Under Section 54(1) of the Insolvency  
and Bankruptcy Code, 2016 read with  
Regulation 45(3)(b) of IBB(Liquidation  
Process) Regulations, 2016**

**In the matter of :**

M/s Gagan Fibres Private Limited .....Petitioner/ Operational Creditor

Versus

M/s Sohrab Textiles Mills Ltd. ....Respondent/ Corporate Debtor

**And in the matter of:**

**Prem Chand Goyal, Liquidator**

in the matter of M/s Sohrab Textiles Mills Ltd.

With its Regd Office at House No 1-F,

Adjoining Municipal House,

Model Town, Patiala (Punjab)-147001

.....Applicant/Liquidator

**Judgment delivered on: 29 .08.2023**

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present:**

**For the Applicant :** Mr. Harsh Garg, Advocate  
Mr. Pulkit Goyal Advocate

**Per: Harnam Singh Thakur, Member (Judicial)**

**JUDGMENT**

The present application has been filed by the liquidator for dissolution of the corporate debtor, i.e. M/s Sohrab Textiles Mills Ltd. under Section 54(1) of





Insolvency & Bankruptcy Code, 2016, read with Regulation 45(3)(b) of the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

2. The main Company Petition bearing CP (IB) No. 286/CHD/PB/2020 filed by the Operational Creditor, i.e. M/s Gagan Fibres Private Limited under Section 9 of the Insolvency and Bankruptcy Code, 2016. The same was admitted by this Adjudicating Authority vide order dated 06.10.2021. Vide the order dated 28.10.2022, Mr. Prem Chand Goyal i.e. the applicant, was appointed as Liquidator.

3. It is submitted that the applicant had made a public announcement as per Regulation 12(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, in two newspapers, one in English and one in Punjabi, dated 30.10.2022. Calling upon the stakeholders to submit their claims and update their claims which were submitted during the CIRP, as on the liquidation commencement date.

4. It is submitted that a new current bank account was opened in the name of the corporate debtor, and the process of appointment of the valuers was also initiated for fresh valuation of the assets of the corporate debtor. Further, the liquidator had received the claims from the stakeholders, i.e., financial creditors, operational creditor Govt dues and operational creditors, out of which the claims to the tune of Rs. 12,60,51,222.42/- were admitted by the applicant. The corporate debtor was not a going concern as the work and operations of the company were shut down by the management prior to the initiation of CIRP.

5. It is submitted by the liquidator that the applicant had formed the liquidation estate as per Section 36 of the IBC. Further, during the liquidation process, only one tangible asset i.e. the land and building situated at Malerkotla of the corporate debtor were sold during the liquidation process, from which the total amount realized from the liquidation of the corporate debtor was Rs. 2,03,39,265/-.



6. It is further submitted that the liquidator had successfully completed the liquidation of the corporate debtor and thereafter distributed the proceeds from the sale of the assets of the corporate debtor to the stakeholders after adjusting the CIRP cost/liquidation cost. The details of distribution to stakeholders under Section 53 of IBC, 2016 are as under

I.	Stakeholders* under section 53 (1)	Amount Claimed (Rs. in lakhs)	Amount Admitted (Rs. in lakhs)	Amount Distributed (Rs. in lakhs)	Amount Distributed to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)
	(a): CIRP Costs	17.70	17.70	17.70	100%
	(a): Liquidation Costs	12.45	12.45	12.45	100%
	(b)(i)	-	-	-	-
	(b)(ii) Secured creditor	947.94	947.94	172.79	18.25%
	(c)	-	-	-	
	(d)	-	-	-	
	(e)(i) Statutory dues	64.35	64.35	0.27	0.42%



	(e) (ii)			-	
	(f) Any remaining operational debts	247.21	247.21	0	-
0	(g)	-	-	-	
1	(h)	-	-	-	
<b>Total</b>		<b>1289.65</b>	<b>1289.65</b>	<b>203.39</b>	<b>15.77%</b>

7. It is stated by the liquidator that Copy of the final report was submitted before this Tribunal on 19.05.2023 in the form of IA vide Diary No. 0404114017012023. Further, the liquidator, while carrying out the liquidation process of the corporate debtor, has taken care to comply with all the provisions of the IBC, 2016 and the Liquidation Regulations. The liquidator has also submitted his compliance certificate in Form H, certifying that the liquidation process has been carried out with all the provisions of the IBC, 2016 and the Liquidation Regulations, and all the necessary compliances have been made.

8. It is submitted that all the assets of the Corporate Debtor are sold, and there remains no unsold property, and as such, no unsold property has been distributed to the stakeholders. All the CIRP costs and part of the Liquidation process cost have been recovered.

9. It is further submitted that since the Corporate Debtor has been liquidated successfully and the realized amount has been distributed to the stakeholders as



per Section 53 of the Code read with Regulation 42 of the Liquidation Regulations, the liquidation proceedings are construed to be concluded, the instant application is being made for dissolution of the Corporate Debtor.

10. We have heard the learned counsel for the applicant and have carefully perused the pleadings of the party along with extant provisions of the Code and the Rules made thereunder.

11. The present application is filed under Section 54 of the I&B Code. The relevant provisions of Section 54 of the IBC read as under:-

*“Section 54 of the IBC*

- 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 data is registered.”*

12. The above facts and circumstances of the case have established that due process of Liquidation, as per extant provisions, was followed by the Liquidator to liquidate the assets of the Company, and the realized amounts were also distributed to the respective claimants. Therefore, the liquidation process is deemed to have been completed under Chapter III of Part II of the Code, and thus it would be just and proper for the Adjudicating Authority to dissolve the Company. No party is going to be affected by dissolving the company.

13. In the result, by exercising powers conferred on the Adjudicating Authority, under Section 54(2) of the Code, the IA No.1733/2023 in CP (IB) No. 286/CHD/PB/2020 is disposed of with the following directions:



- i. M/s Sohrab Textile Mills Ltd., the Corporate Debtor, is hereby dissolved with immediate effect;
- ii. The Liquidator is directed to close the Liquidation Bank Account, if any, within three weeks from the date of receipt of the copy of this order.
- iii. The Registry is directed to forward a copy of this order to the Concerned Registrar of Companies within a period of two weeks from today;
- iv. The Liquidator is also directed to forward copies of this order to all other statutory authorities connected with the affairs of the Company.
- v. The Liquidator, Shri. Prem Chand Goyal is discharged from his duties and responsibilities as the liquidator of the corporate debtor company

14. Accordingly, IA No.1733/2023 is allowed and stands disposed of.

-sd-  
**(Subrata Kumar Dash)**  
**Member (Technical)**

-sd-  
**(Harnam Singh Thakur)**  
**Member(Judicial)**

August 29, 2023  
SM/TBG