IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI

COURT - IV

I.A. No. 840 of 2025

IN

C.P.(IB) No. 1056/MB/2020

[Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, r/w. Rule 11 of NCLT Rules, 2016.]

Mr. Ravikumar Gaurishankar Patel
Through its Authorized Attorney Mr. Sumit Rajnikant Mehta

...Applicant/Successful Bidder

V/s.

Mr. Gajesh Labhchand Jain
Liquidator of M/s. Talwalkars Better Value Fitness Limited

...Respondent

In the matter of:

Axis Bank Limited

...Financial Creditor

V/s.

Talwalkars Better Value Fitness Limited

...Corporate Debtor

Pronounced: 26.02.2026

CORAM:

ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

K. R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearances: Hybrid

For Applicant : Adv. Nausher Kohli a/w. Adv. Yahya Batatawala.

For Respondent : None Present.

ORDER

Per: Anil Raj Chellan, Member (Technical)

1. This Interlocutory Application bearing IA (I.B.C) No.840/MB/2025 was filed on 13.02.2025 by Mr. Ravikumar Gaurishankar Patel (Applicant / Successful Bidder) under Section 60(5) read with Section 32A of the Insolvency and Bankruptcy Code, 2016 (Code) and Regulation 32(e) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Liquidation Process Regulations). The Applicant has acquired Talwalkars Better Value Fitness Limited (Corporate Debtor) as a going concern in the liquidation process for a consideration of Rs. 15,00,00,000 (Fifteen Crore Rupees). The Liquidator of the Corporate Debtor issued a Sale Certificate dated 23.01.2025 to the Applicant, evidencing such acquisition. The Applicant seeks directions from this Tribunal for the grant of the Reliefs and Concessions mentioned in Annexure-G of the present Application.

2. **Submissions of Applicant**

2.1. The Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor was initiated on 11.01.2021 on an application filed by a financial creditor, *viz.*, Axis Bank Limited, under Section 7 of the Code.

Upon failure of the CIRP, an order for liquidation of the Corporate Debtor was passed on 28.04.2022 in I.A. No. 272 of 2022, and Mr. Gajesh Labhchand Jain, i.e., the Respondent herein, was appointed as the Liquidator of the Corporate Debtor.

2.2. The Applicant submits that following the appointment as the Liquidator of the Corporate Debtor company, he issued the E-auction Sale Notice dated 15.07.2024 for sale of the Corporate Debtor as a going concern in consonance with Regulations 32(e) and 33(2) of the Liquidation Process Regulations and the Process Memorandum dated 15.07.2024 (Process Document) specifying the applicable terms and conditions for participation in the auction process and governing the other aspects thereof.

2.3. In response to the aforementioned Sale Notice, the Applicant submitted its Expression of Interest along with all relevant documents detailing the eligibility of the potential bidder, accompanied by the Earnest Money Deposit (EMD) of Rs. 80,00,000/- in accordance with the Process Document. Subsequently, the Applicant participated in the E-auction held on 16.08.2024, during which the Applicant was declared as the Successful Bidder with a bid price of Rs. 15,00,00,000/-. Accordingly, the Liquidator issued a Letter of Intent (LoI) dated 17.08.2024 to the Applicant.

2.4 The Applicant submits that in accordance with the Process Document and LoI, the balance consideration of Rs. 14,20,00,000/- was remitted on 07.11.2024 along with interest of Rs. 24,27,616/-. Following the payment of the entire sale consideration, a Sale Certificate dated 23.01.2025 was issued in favour of the Applicant. This certificate confirms the receipt of the entire sale consideration and declares the Applicant as the Successful Auction Purchaser of the Corporate Debtor as a going concern.

2.5 The Applicant, having been declared as the Successful Bidder for the Corporate Debtor, seeks certain reliefs and concessions from this Adjudicating Authority in connection with the acquisition of the Corporate Debtor as a going concern. It is submitted that in order to transfer of the ownership of the Corporate Debtor and revitalisation of the business of the Corporate Debtor, it is imperative to grant certain additional reliefs, concessions and permissions that are essential for the business of the Corporate Debtor as a going concern. Consequently, it is contended that the instant case is a fit case to grant the reliefs, as prayed for in the Application.

2.6 The Applicants rely upon the rulings of Hon'ble NCLAT *in Shiv Shakti Inter Globe Exports Pvt. Ltd. v. KTC Foods Pvt. Ltd. through Liquidator Mr. Anup Kumar Singh and Anr.* [Company Appeal (AT) (Insolvency) No.650 of 2020]; in *RMY Industries LLP v. Apple Industries Private Limited through its Official Liquidator* [Company Appeal (AT)(Insolvency) No.1114 of 2022], and the orders passed by coordinate Benches of this Tribunal in *Shri Rakesh Ramanlal Shah v. Ravindra Kumar Goyal, Liquidator of M/s. IMP Powers Limited* [I.A. No. 1387/2024 – NCLT Ahmedabad Bench] and in *Gaurav Jain v. Sanjay Gupta* [(2021) 130 taxmann.com 23 – NCLT Mumbai Bench].

3. Reply of Respondent

The records reflect that despite entering into appearance, the Respondent *viz.*, the Liquidator of the Corporate Debtor, has not filed its formal reply. The matter at hand is therefore being dealt with on merits on the basis of available pleadings.

4. Analysis and Findings

4.1 We have heard the Ld. Counsel for the Applicant and perused all the

documents on record.

4.2 The Liquidation Process Regulations explicitly recognise 'sale as going concern' as one of the methods of sale. It is evident that the primary objective of selling a corporate debtor as a going concern during the liquidation process is to preserve the corporate entity as a functioning business, thereby safeguarding employment while maximising returns for stakeholders. In essence, the ownership of the corporate debtor is transferred to the acquirer for operationalisation, subject to the terms and conditions set out in the process document. However, neither the Code nor the Liquidation Process Regulations delineates the mechanisms for the transfer of ownership and operationalisation of the business by the acquirer. Consequently, various orders have been passed by the Adjudicating Authorities to facilitate the transition of the corporate debtor as 'going concern'.

4.3 Bearing in mind the overarching objective of facilitating a going concern sale, along with various orders passed by the Hon'ble NCLAT and the coordinate Benches of this Tribunal, the reliefs sought in the Application are being considered in the subsequent paragraphs.

5.1 **Shareholding of the Company & SEBI/Stock Exchange(s)**

A. A direction may be issued that on the Record Date to be determined by the newly constituted Board of Directors, the entire existing Equity Shares issued by the Corporate Debtor (held by the erstwhile Promoters Group as well as other public shareholders) shall stand cancelled without any further act or deed ("Capital Reduction") and without any pay-out and rights and liabilities arising out of the same shall also be extinguished.

NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH

B. **A direction may be issued that on the Record Date, the Corporate Debtor will be entitled to issue and allot 95,00,000 new equity shares of Rs. 10 each aggregating to INR 9,50,00,000/- (Rupees Nine Crores Fifty Lakhs Only) [new promoters' shareholding] to such persons as may be decided by the newly constituted board of Corporate Debtor and 5,00,000 new equity shares of Rs. 10 each aggregating to INR 50,00,000 (Rupees Fifty Lakhs Only) [new public shareholding] to the strategic investors and / or existing shareholders shall constitute 5% of the total paid up equity capital of the Corporate Debtor which will be in compliance of the SEBI Regulations in this regard.**

C. **The cancellation/ allotment shall not require consent from any of the stakeholders including shareholders, creditors, regulators, stock exchanges, ROC etc.**

D. **The Applicant will provide the list of identified Strategic Investors who will not be connected with them and shares will be issued on a private placement basis.**

E. **The equity shares issued as aforesaid to the Successful Auction Purchaser and/ or its nominee as decided by new board of Corporate Debtor and that to the existing shareholders shall be listed forthwith on the Bombay and National stock exchange where it is presently listed.**

F. **The approval of relief and concession shall be deemed to be due compliance of all provisions of Applicable Law for the purpose of allotment and reduction of equity share capital, and**

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

there shall be no requirement to add "and reduced" in the name of the Corporate Debtor.

G. Further, the Capital Reduction, would not involve either a diminution of liability in respect of unpaid share capital, if any, or payment to any existing share holder of any unpaid share capital.

H. By way of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017, issue of equity shares pursuant to an offer has been exempted from applicability of Chapter VII of the Corporate Debtor Regulations. Therefore, the Corporate Debtor shall not be required to comply with the requirements of Corporate Debtor Regulations for the issuance of Equity Shares to the Successful Auction Purchaser or its nominees. Accordingly, an exemption be granted from the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR Regulations"), SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 ("SEBI Corporate Debtor Regulations"), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI SAST Regulations"), as amended, and other applicable laws for various corporate actions for restructuring, reduction of share capital, (except the lock-in provisions).

I. New shares shall be issued at a Face value of Rs. 10 per share and the Pricing formulae, as applicable for preferential issue under SEBI Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, the Securities and Exchange Board

of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 shall be exempted.

J. **The Corporate Debtor will not be required to make any payment pertaining to any of their outstanding amounts / claims/SOP fines of BSE and NSE before the Transfer Date. The BSE and NSE be directed to withhold all delisting process of the Corporate Debtor, if any and lift the suspension to enable the listing and trading of the shares allotted pursuant to this Order. Any delisting process initiated either by NSE and BSE shall deem to have been withdrawn by the said authorities.**

K. **All non-compliances under the Companies Act 1956, Companies Act 2013, Securities and Exchange Board of India and Stock Exchange and all such other non-compliances under any other law should be regularized and all penalties payable in relation to the non-compliances stand waived off.**

L. **Waiver of the requirements of procedural requirements in terms of Section 66, Section 42 and Section 62(1)(c) of Companies Act, 2013 and the Company (Procedure for Reduction of Share Capital) Rules, 2016, Valuation of Pricing of Shares by Registered valuer under any Act, Law, Statute, Rules, Regulations etc. applicable.**

5.2 The reliefs claimed as above are (i) the extinguishment/cancellation of existing shares without any further act or payment, (ii) allotment of 95,00,000 new equity shares of Rs.10/- each to the Applicant and its nominees, and 5,00,000 new equity shares to the strategic investors or

existing shareholders, (iii) listing of new equity shares with Bombay Stock Exchange and National Stock Exchange without the necessity of compliance of various Regulations issued by SEBI (iv) suspension/withdrawal of delisting process or trading initiated by the Exchanges and enable listing and trading of new equity shares and (v) waiver of procedural requirements under the Companies Act for cancellation of existing equity shares and issue of new shares.

5.3 It has been observed that the Liquidator has issued a Sale Certificate dated 23.01.2025, and has subsequently handed over the assets of the Corporate Debtor to the Applicant. As per the Sale Certificate, the existing shares/share capital of the Corporate Debtor will be cancelled/extinguished without there being any payment to the shareholders. The transfer of ownership of the Corporate Debtor shall take place by way of writing off the entire existing shareholding of the Corporate Debtor, followed by the issuance of new equity shares to the successful bidder and its nominees, provided that these nominees are not ineligible in terms of Section 29A of the Code. The process of extinguishing or cancelling existing shares without any further act or payments is already addressed under the Sale Certificate. Consequently, the focus now rests on listing the new equity shares and addressing the waivers of penalties imposed by the Stock Exchanges.

5.4 As regards exercise of jurisdiction by the Tribunal, it is relevant to notice the following observation made by the Hon'ble Supreme Court in *Gujarat Urja Vikas Nigam Limited v. Mr. Amit Gupta & Ors,* [Civil Appeal No. 9241 of 2019)]:*"163 Although various provisions of the IBC indicate that the objective of the statute is to ensure that the corporate debtor remains a 'going concern', there must be a specific textual hook for the NCLT to exercise its jurisdiction. The NCLT cannot derive its powers from the*

'spirit' or 'object' of the IBC. Section 60(5)(c) of the IBC vests the NCLT with wide powers since it can entertain and dispose of any question of fact or law arising out of or in relation to the insolvency resolution process. We hasten to add, however, that the NCLT's residuary jurisdiction, though wide is nonetheless defined by the text of the IBC. Specifically, the NCLT cannot do what the IBC consciously did not provide it the power to do."

5.5 Thus, there are limitations in exercising jurisdiction to grant general reliefs and concessions. Furthermore, the Applicant has not provided any justification as to why the Corporate Debtor is unable to comply with the SEBI guidelines regarding the listing and trading of the new equity shares to be issued. The mere acquisition of the Corporate Debtor in a liquidation sale does not, in itself, justify a dispensation unless the compliance issues pertain to the period prior to the acquisition and cannot be addressed by the acquirer. In any event, the appropriate course of action would be to seek the necessary dispensation from the relevant authority.

6.1 <u>Director(s)</u>

M. On and from the date of Sale certificate, the board of directors shall be reconstituted. The new board of directors of the Corporate Debtor shall consist of following person:

Designation	Name	DIN
Managing Director	Arvind Bhanushali	00134211
Executive Director	Kurjibhai Premjibhai Rupareliya	05109049
Non-executive Director	Shilpa singh	08448114
Independent Director	Priyanshu Seth	10859312
Independent Director	Jignesh R Lasaniawala	10838391
CFO	Nikunj K. Dasani	NA
CS and compliance officer	Meenu Balani	NA

N. Immediately on approval of the relief by the Hon'ble NCLT the existing Directors and officers shall deemed to have resigned from the Company and they shall file their cessation with the Registrar of Companies along with copy of the order of the Hon'ble NCLT and without being required to obtain individual resignation of the Directors/Officers.

6.2 The Sale Certificate issued by the Liquidator permits the Applicant to reconstitute the board of the Corporate Debtor with individuals nominated by the Applicant, provided that these individuals are not ineligible under Section 29A of the Code. The only requirement specified is that all necessary filings/intimations be made as per the provisions of the Companies Act, 2013, to the RoC concerned, Income Tax Authorities, and any other Government / Statutory Authorities. The names of individuals proposed for appointment as new directors of the Corporate Debtor are also mentioned in the Sale Certificate. It is observed that the Applicant has now nominated different individuals or additional individuals to form the board of the Corporate Debtor.

6.3 To effectuate the transfer of ownership of the Corporate Debtor, it is imperative that all existing directors / suspended members of the Board vacate their offices. Subsequently, the Board must be reconstituted by the Applicant and his nominees to facilitate the continued operations of the Corporate Debtor. This has been made amply clear in the Sale Certificate. Now, the Applicant proposes to nominate additional persons who are not ineligible under Section 29A, in addition to those specified in the Sale Certificate as directors. Therefore, we allow dispensation from procedural requirements for the appointment or induction of new directors

under the Companies Act, except for the necessary filings with the relevant authorities.

7.1 Financial Creditors

O. Upon payment of bid amount by the Successful Auction Purchaser all the dues of whatsoever nature of the Financial Creditors (whether admitted or not, due or contingent, asserted or un-asserted, crystalized or un-crystalized, known or unknown, disputed or undisputed, present or future, whether or not set out in the audited financial statements) including but not restricted to accrued interest (whether paid or unpaid), penal interest, claim, fees, commissions, compound interest, liquidated damages, charges, claims under existing outstanding Bank Guarantees or Corporate Guarantees (whether claimed or not or claims under existing outstanding Letter of Credits and other charges already accrued accruing or in connection with any third party claims) in relation to the financial debt of the Corporate Debtor, arising for any period until the date of order of the Hon'ble NCLT granting the present reliefs to the Successful Auction Purchaser / Corporate Debtor ("Transfer Date") shall stand permanently extinguished and no further amount will be required to be paid or payable by the Corporate Debtor or the Successful Auction Purchaser to the Financial Creditors. The Financial Creditors shall therefore release all their charges, encumbrances, lien, mortgage etc. over all the assets of Corporate Debtor and handover all the original documents of the assets of the Corporate Debtor excluding the asset as mentioned in the E-Auction Process

Information Document dated 15 / 07 / 2024 to the Successful Auction Purchaser.

P. The Hon'ble Tribunal may direct Financial Creditors to "UPGRADE" the Account of Corporate Debtor with Banks/Financial Institution under the CIBIL Mechanism to "Standard Category" from NPA so as to enable the Successful Auction Purchaser to revive the business of Corporate Debtor afresh and turn around the Corporate Debtor.

Q. The Financial Creditors shall procure that all "Red Flagging", or "Fraud", or "Default" or "NPA" or such other negative classification on the Corporate Debtor, as applicable, shall stand withdrawn, including from the records of CRILIC, ROC, CERSAI, TransUnion, CRISIL, and Credit Information Bureau (India) Limited (CIBIL), RBI information utilities, willful defaulter list, etc.

R. All the bank accounts of the Corporate Debtor, including the accounts held with the Financial Creditors shall stand unfrozen and any lien marked to the bank accounts shall stand removed.

7.2 The Hon'ble NCLAT, in *Shantech International Pvt. Ltd. v. Devendra Singh Liquidator of Venus Rolling Mills Pvt Ltd.* [(2024) ibclaw.in 598 NCLAT] followed the principle that the waiver of liabilities with regard to dues of the Corporate Debtor should be dealt with according to the terms of the e-auction. In the present case, the Sale Certificate issued by the Liquidator states as follows:

"9. In terms of the LoI, the sale of Corporate Debtor as a going concern (excluding liabilities, cash, and cash equivalents), is undertaken on "as is where is basis", "as is what is basis", "whatever there is basis" and "no

recourse basis", and the proposed sale of the Corporate Debtor does not entail transfer of any title except the title which the Corporate Debtor has as on date of the transfer. ***The liabilities of the Corporate Debtor will be settled/dealt in accordance with Section 53(1) of the Code. 0n the payment to creditors/stakeholders of the Corporate Debtor as per Section 53(1) of the Code, the charges (if any) will be released, and the title of the Corporate Debtor will be handed over to the Successful Bidder****. Notably, the payment to creditors/stakeholders of the Corporate Debtor as per Section 53(1) of the Code has been made on 28.11.2024, and as such the aforementioned steps has been undertaken."*

7.2 In light of the specific clause regarding past liabilities outlined in the Process Document and Sale Certificate, we hold that the Corporate Debtor shall not be liable for any past liabilities. The Applicant may approach the Financial Creditors to release pre-existing charges, and may also report to the concerned authorities and credit information companies.

8.1 OPERATIONAL CREDITORS

S. From the Transfer Date, irrespective of the fact that whether Operational Creditors/ Statutory Authorities/ other creditors of the Corporate Debtor have received any amount or not by way distribution under Sec. 53 of the IBC Code, the liabilities of the Corporate Debtor towards the dues owed to Operational Creditors/Statutory Dues / other creditors till the Transfer Date shall stand settled in full, including any claims whether filed or not, whether admitted or not, whether asserted or not and whether or not set out in the audited balance sheet or the list of stakeholders. Accordingly, Operational Creditors/ Statutory

Authorities/ other creditors of the Corporate Debtor will not have any claim of whatsoever nature against the Corporate Debtor prior to the Transfer Date.

8.2 In light of the specific clause regarding past liabilities outlined in the Process Document and Sale Certificate, we hold that the Corporate Debtor shall not be liable for any past liabilities. The Applicant may approach the Operational Creditors/Statutory Authorities/other creditors to release pre-existing charges, as well as to report to the concerned authorities and credit information companies.

9.1 Claims by the Company /Corporate Debtor

T. All existing and future receivables, claims, refunds, credits, benefits, grants, privileges by the Corporate Debtor and all its existing and future rights, entitlement, etc. with Governmental Authorities or any other Person (including third parties) but not limited to intellectual property rights, free from security interest, shall not be affected and shall remain enforceable after the Transfer Date and on and from the Transfer Date, such claims, entitlements and rights etc., shall be deemed to vest in the Corporate Debtor and/ or Successful Auction Purchaser and shall continue to exists and shall not get extinguished.

U. Limitation period in respect of such receivables will be excluded and a fresh limitation shall be available to such receivables from Transfer Date to Corporate Debtor against their debtor before any of the statutory, judicial authority, arbitration proceedings and/ or court of law.

9.2 The Applicant has sought the elimination of all liabilities of the Corporate Debtor related to the period prior to the acquisition, while retaining the

rights to recover the receivables, claims, refunds, credits, benefits, etc. It is imperative to avoid imposing unfair prejudice on the contracting parties by holding them accountable for receivables while granting the Corporate Debtor a clean slate without affording the parties an opportunity to present their case. Furthermore, it has been emphasised repeatedly by the higher Courts, including the Hon'ble Supreme Court in *Gujrat Urja Vikas Nigam Ltd. v. Amit Gupta* (Civil Appeal No.-9241/2019), that the Adjudicating Authority should not entertain contractual disputes between the parties, especially when such disputes do not arise for or relate to the insolvency resolution or liquidation of the Corporate Debtor. Consequently, a general relief sought by the Applicant, which aims to maintain and keep alive the rights of the Corporate Debtor while absolving it of all liabilities, cannot be granted. However, we leave this issue open for the consideration of the parties.

10.1 LEGAL / LITIGATIONS

V. That, on and from the Transfer Date, the liability of the Corporate Debtor for any offence, default, noncompliance or breach committed prior to the Transfer Date in respect of any compliances under any of the applicable laws including but not restricted to Central Sales Tax, VAT, CENVAT, MODVAT, Custom Act, Companies Act, 2013, Income Tax Act, GST, Stock Exchanges, SEBI Act or Regulations (including LODR, Employee State Insurance Act, 1948, Provident Fund Act, Payment of Bonus Act, Contract Labour Act, 1973, Industrial Disputes Act,1947, Minimum Wages Act, Equal Remuneration Act, 1776, Factories Act, 1948, Gratuity Act, 1972, FEMA, RBI Regulations, IEC, EPCG License, Micro, Small and Medium Enterprises Development Act, 2006, Medium Enterprises

Development Act, 2006 etc. (collectively " Applicable Laws") shall cease, and the Corporate Debtor shall not be prosecuted or required to pay or settle any taxes, dues, claims, fees, penalty, charges, damages or interest (including any demand for any losses or damages or in connection with any third party claims or any inquires/ investigations by any government bodies or authorities such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFO), Enforcement Directorate (ED), or any other Government agency) thereon for such an non-compliance, default or offence and all the assessments, proceedings, demand notices, penalty proceedings, show- cause notice and appeals, whether completed or uncompleted, initiated or not initiated with respect to Applicable Laws shall deemed to have been completed and closed.

W. Further no action shall be taken against the Corporate Debtor or any of its assets (excluding the asset as mentioned in the E-Auction Process Information Document dated 15/07 / 2024) in relation to an offence committed prior to the Transfer Date.

X. From the Transfer Date the Corporate Debtor shall not be prosecuted or liable for any civil, criminal or any other consequence including penalty arising from any such offence and all restrictions, impositions, prohibitions, debarments and limitations, whether interim or permanent on the Corporate Debtor shall stand vacated on the Transfer Date. Further no action shall be taken against any property of the Corporate Debtor and/ or Successful Auction Purchaser or any of its/ their employees, directors, or representatives in relation to an

offence committed prior to the Transfer Date, upon change in control of the Corporate Debtor in favour of Successful Auction Purchaser.

10.2 Section 32A of the Code provides that the liability of a corporate debtor, for offences committed prior to the commencement of the Corporate Insolvency Resolution Process, will stand extinguished from the date a resolution plan is approved by the adjudicating authority or the sale of liquidation assets, subject to certain conditions being fulfilled. This immunity under Section 32A is applicable once the approved resolution plan mandates a change in the management of the corporate debtor, if such persons (1) were not directly or indirectly related to the old management of the corporate debtor; or (2) have not abetted or conspired for the commission of such an offence committed by the corporate debtor. Sub-section (2) seeks to extend the warranty in respect of the properties of the corporate debtor upon approval of the resolution plan or sale of liquidation assets, while providing assurance against liability. Lastly, sub-section (3) obligates any such persons to aid any enforcement authority investigating under any applicable law.

10.3 It is pertinent to observe that the immunity provided under Section 32A of the Code is premised on various conditions being fulfilled. The relief claimed by the Applicant goes much beyond the sweep of Section 32A of the Code, which cannot be permitted. In view of the above, we allow the relief to the extent permitted under Section 32A of the Code and nothing more.

11.1 **TAXATION (DIRECT - INDIRECT TAXATION)**

Y. Department of Registration and Stamps, Government of Gujarat/Union Territory of Daman and Diu, State of Maharashtra,

shall waive levy of any stamp duty and other fees applicable in relation this transaction.

Z. The Corporate Debtor shall not be liable for any Taxes and shall be granted an exemption from all Taxes, levies, fees, transfer charges, transfer premiums, stamp duty, registration charges, surcharges, interests, penal charges and any such other levies, that arise from or relate to this acquisition, since payment of these amounts may make the acquisition unviable. Any reference to Taxes shall include any transfer premiums or charges, change of ownership/Control charges payable in connection with the Acquisition and the consequent change in ownership and Control of the Corporate Debtor.

AA. Successful Auction Purchaser and/ or the Corporate Debtor shall not be liable to pay any Taxes or interest or penalty or any prosecution arising out of pending or completed assessments or adjust its taxable income or brought forward losses as per provisions of Section 72A, Section 79, and/ or any other applicable provisions under Income-tax Act, 1961 pertaining to any period prior to the Transfer Date including but not limited to claim arising out of any notice or order received by Corporate Debtor pertaining to any period prior to Transfer Date having an impact on the taxable income, brought forward losses and/ or Tax payable by the Corporate Debtor on account of following reasons or other reason not listed below:

I. Any non-compliance in relation to filing of Income-tax Return under section 139 of Income-tax Act, 1961 including any other forms as required to be filed by

Corporate Debtor under provisions of Income-tax Act, 1961.

II. **All Claims (whether contingent or crystallized, known or unknown, filed or not filed) of Governmental Authorities in relation to all Taxes/ interest/ penalty which the Corporate Debtor was or may be liable to pay (including with respect to financial years under assessment), all deductions and all withholding Taxes on any payment, as required under Applicable Law and pertaining to the period prior to the Transfer Date shall stand extinguished on the Transfer Date. Furthermore, and without prejudice to the generality of the foregoing, any assessment, reassessment, revision or other proceedings under the provisions of the applicable Laws relating to Taxes would be deemed to be barred in relation to any period prior to the Transfer Date, by virtue of the order of the Adjudicating Authority;**

III. **A direction be issued that the requirement of obtaining a no objection certificate under Section 281 of the Income-tax Act, 1961 and provisions of taking over its predecessor's Tax liability under Section 170 of the Income-tax Act, 1961 shall not be applicable. Further, the transaction shall not be treated as void under section 281 of the Income-tax Act, 1961 for any claims in respect of Tax or any other sum payable by the Corporate Debtor or any shareholder of the Corporate Debtor.**

IV. **Liability arising on capital reduction in Corporate Debtor, consolidation of share capital of Corporate Debtor, write**

off write down of current amounts due to employees, vendors, Operational Creditors, Financial Creditors, value of assets, value of inventories, etc. without any impact on brought forward tax and book loss/ depreciation; and waive all liabilities whether crystallized or not in respect of Taxes (including interest and penalty) arising in respect of periods up to the Transfer Date.

V. **Waiver of principal Loan amount/ and/ or waiver of any other creditors (operational/ financial/ unsecured loan/other liabilities) as well as waiver of interest as appearing in the books of accounts of the Company as on the date of Upon approval of the Sale as going concern of Corporate Debtor by NCLT and such written back amount will be credited to capital reserve in the books of account.**

VI. **Since the process of "Acquisition of the corporate debtor under liquidation as a Going Concern" is a significant event, the Corporate Debtor shall be allowed to treat all the unpaid liabilities in the books after settlement u/ s 53 of IBC to be Capital in Nature, as consecutively, the entire write back to be considered as a Capital Reserve and shall not be liable for any income tax liability on write back of all the unpaid liabilities in the books after settlement u/ s 53 of IBC. Corporate Debtor shall draw its financial statements in subsequent year(s) so as to reflect the true and fair value of its assets by writing-off the book value of its assets including but not limited to book-debts, inventories etc. and such write-off shall be claimed as losses under the provisions of the Income Tax Act, 1961.**

VII. **Grant relief under section 28, Section 41, Section 56, Section 115 JB, and Section 170 of the Income-tax Act, 1961 against any Income-tax liability arising due to Capital Reduction in the Corporate Debtor, write off/write down/write back of various liabilities, including liabilities pertaining to all the Financial Creditors, Workmen and Employees, Operational Creditors, Other Creditors, writeback of impairment of assets, investments, inventories, trade & other receivables, loans & advances, and other current & non-current assets etc. without any impact on carried forward loss and further waive all liabilities whether crystallized or not in respect of Taxes (including interest and penalty thereon) pertaining to the period prior to the date on which the Acquirer takes control of the Corporate Debtor.**

VIII. **All potential direct / indirect tax liability (including but not limited to any potential MAT liability, potential liability under section 56 and 50CA of Income Tax Act, 1961) as may be incidental to the Transaction shall be waived.**

Income tax authorities to allow representation of the case/ appeal for the different financial years, without any additional burden on the Corporate Debtor and/ or Bidder, for the income tax notices/ demands/ penalties/ assessments/ adjustments of the accumulated losses (including but not limited to additions/ adjustments under Transfer Pricing under the Income-tax Act, 1961) up to the Transfer Date, where the Corporate Debtor failed to

राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

represent the case effectively. Such representation/ appeal should not be treated as time barred.

IX. On and from the Transfer Date, any debit or credit, being the balancing figure, shall be adjusted by the Corporate Debtor in the capital/ other reserve at its sole discretion and the same shall be deemed to be in compliance with the applicable accounting standards without any tax implications on the Corporate Debtor upon such adjustment.

11.2 We have previously acknowledged the release of past liabilities and the waiver of noncompliance by the Corporate Debtor pertaining to the period prior to the Applicant's acquisition, which is intended to facilitate the revival of the business. However, we observe that the position of an auction purchaser is not entirely different from that of a purchaser in any other public e-auction process. The only difference is that in the liquidation process, he acquires the assets for the purpose of revival of the business of the corporate debtor, wholly or partly. Therefore, there is no justification for waiver of stamp duty, registration fees, and other transaction-associated expenses related to the acquisition during the liquidation process. Stamp duty and similar levies are imposed under various statutes for the purpose of revenue generation, and this Tribunal does not possess the authority to grant exemptions in such matters. Nevertheless, the Applicant is at liberty to approach the relevant authorities to seek exemptions and waivers.

12.1 <u>GENERAL RELIEFS</u>

BB. On and from the Transfer Date, no consents, licenses, approvals, rights, entitlements, benefits and privileges whether

under Applicable Law, contracts, leases, granted m favour of Corporate Debtor, shall be terminated on the grounds of initiation of insolvency / liquidation of the Corporate Debtor under the IBC, change of control over the Corporate Debtor and these pursuant to the acquisition by Successful Auction Purchaser or on account of unpaid dues which have been settled pursuant to this acquisition.

CC. A direction be issued that all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license. granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled to shall, notwithstanding any provision to the contract in their terms and irrespective of the commencement of the insolvency/liquidation proceedings under the IBC, in relation to the Corporate Debtor be deemed to continue without disruption, for the benefit of the Corporate Debtor and all additional licenses, registrations and consents required by the Corporate Debtor to be made available immediately from the Transfer Date, to facilitate running of the business as going concern.

12.2 Before considering the abovementioned relief(s), it would be appropriate to notice the scheme of the Code as regards obtaining licences, approvals, clearances etc., under sub-section (4) of Section 31:

"31. Approval of resolution plan.-

(1) xxx

(2) xxx

(3) xxx

(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors."

12.3 A plain reading of the above provision in the Code emphasises the need to obtain approvals required under the applicable laws even after a resolution plan is sanctioned under Section 31 of the Code. Thus, the scheme of the Code is not to dispense with the approvals and licences required under the laws but insists the same to be obtained within a timeframe. That being so even for a resolution plan, we do not see any reason to dispense the licence, approvals, etc., in the present case for the mere reason that the object of acquisition is the revival of the Corporate Debtor.

12.4 Further, the explanation to Section 14(1) of the Code reads thus:

"14. Moratorium.-

.....

Explanation.- For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government,

local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period."

As per the above Explanation, the licences, permits, registrations, quotas, concessions, clearances, or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator, or any other authority constituted under any other law for the time being in force and contracts where the counterparty supplies essential/critical goods and services to the Corporate Debtor are to be kept unaffected during moratorium imposed under Section 14 and there is no provision in the Code for its continuation after the CIRP.

12.5 In light of the above, we find no justification for extending the benefits of the contract, licence, or any related agreements, unilaterally to the Applicant, given that the parties are bound by its terms. The terms of a contract, in our considered view, cannot be altered unilaterally, except through legislative intervention, to strike the appropriate balance between contractual freedom on the one hand and corporate rescue on the other. Similarly, neither the licences granted to the Corporate Debtor by the Authorities can be revalidated, nor can their terms be modified by this Authority. We, therefore, are not inclined to grant the aforesaid reliefs.

13.1 <u>INCIDENTAL RELEIF & CONCESSIONS</u>

DD. The status of the Corporate Debtor in the MCA portal shall be converted as "Active" from the status of "liquidation" on and from Transfer date/NCLT approval date.

राष्ट्रीय कम्पनी विधि अधिकरण NATIONAL COMPANY LAW TRIBUNAL मुंबई न्यायपीठ MUMBAI BENCH

13.1.2 The Sale Certificate specifies that the Successful Bidder, in consultation with the Registrar of Companies (RoC) concerned, shall take action to change the status of the Corporate Debtor in the records of the RoC from the status of 'liquidation' to the status of 'active'. The Liquidator has also undertaken to provide reasonable support to the Successful Bidder. Given these circumstances, no ground has been made out for dispensing with the procedural actions required to update the status of the Corporate Debtor to active.

EE. The bid submitted by the Applicant be considered to be a resolution plan for all purposes and all attendant benefits, privileges and exemptions under various laws including the Income Tax Act, 1961 shall be applicable;

13.1.3 It is necessary to notice that approval of the resolution plan involves multi-stakeholder consultations and application of mind in planning the future viability of the corporate debtor and takes place within the institutional framework of the Code. Further, a resolution plan once approved by the Adjudicating Authority is binding on all stakeholders as per the explicit provisions of the Code, and as a result, the stakeholders are bound to take the exercise of restructuring carefully and pragmatically. On the contrary, sale as a going concern is a mere sale instead of restructuring. Most of the stringent provisions that apply to the resolution plan are conspicuously absent in the case of sale as a going concern. The viability and feasibility of keeping the corporate concern are never a consideration and the decision is left to the liquidator requiring no approval from the Adjudicating Authority. Thus, although both modes aim to revive the corporate debtor, in our opinion, both are different, not comparable, and belong

to different categories under the Code. In view of the above, the relief cannot be granted.

FF. Revocation of Suspension or Relisting of the trading of Equity Share of the Corporate Debtor on the stock exchange i.e., The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

13.1.4 This has already been dealt with in para 5.

GG. The existing statutory Auditors would deemed to have resigned as Auditors of the Company and the new Board would be entitled to appoint new Auditor without any other approval from shareholders or central government or any other authority on and from Transfer date/NCLT approval date.

13.1.5 This is granted to enable the new management to take full control of the operations of the Corporate Debtor.

HH. Direction be issued, on and from Transfer date/NCLT approval date that the registered office of the Corporate Debtor be shifted from its present location to any other location and the Registrar of Companies and any other authority be directed to approve/ accept the same without any approval of shareholders/ statutory approvals and dispense with any such approvals.

II. Direction be issued, that the on and from Transfer date/NCLT approval date, MOA/ AOA of the company be altered as may deem fit and the Registrar of Companies and any other authority be directed to approve/ accept the same without any approval of shareholders/ statutory approvals and dispense with any such approvals.

13.1.6 Shifting of Registered Office of the Corporate Debtor may not be necessary for the revival of the operations of the Corporate Debtor. In addition, after the change in shareholding and the board of the Corporate Debtor, it can take operational decisions in accordance with the applicable laws, for which no dispensation is warranted. Therefore, we are not inclined to grant the relief regarding the shifting of the registered office of the Corporate Debtor.

JJ. The issuance or allotment of Equity Shares and share-warrants, cancellation, extinguishment and restructuring of the existing equity share capital, increase in authorized share capital of the Corporate Debtor, appointment of statutory auditor, amendment of the memorandum of association and articles of association of the Corporate Debtor, appointment of new Directors on the Board of the Corporate Debtor, continuity of listing status, resumption of trading in equity shares on stock exchanges and implementation of such other actions and matters contemplated, shall not require any approvals of the shareholders, Board and/ or corporate action by the Corporate Debtor after approval of this Application by Hon'ble NCLT.

13.1.7 This has already been dealt with in para 6.

KK. Rights/Entitlements/ Assets to be free from all charges/ encumbrances/ set-off;

LL. The Registrar of Companies, Sub-Registrar, Mamlatdar or any other authorities where charge is registered qua the assets of the Company shall remove all the charges basis the present order and no consent from the charge-holders be asked from by the respective authorities for removing the charge.

13.1.8 This has already been dealt with in paragraphs 7 and 8.

MM. No tangible or intangible, corporeal or financial assets including but not limited to the Tax Deducted at Source, Input Tax Credit (under GST), Cash Ledger (under GST) shall be adjusted by the statutory authorities against any claim, whether filed or not, whether crystalized or not, which is related to a period prior to the date of allowing the present application.

NN. No rights or entitlements, registrations, permits, licenses, grants including but not limited to PAN; TAN; GST Registration(s); Electricity Connection(s); Gas Supply Connection(s) shall be denied, forfeited, cancelled or revoked on account of unpaid dues, non-observation of terms or any other reasons of whatsoever nature which took place in the period prior to the date of allowing the present application. Further, no adverse or special conditions, whether monetary or otherwise, shall be imposed upon the Corporate Debtor on account of any unpaid past arrears or mis-conducts.

OO. Applicant be protected in terms of Section 32A of the Code, since it has purchased the Corporate Debtor, on a going concerns basis.

PP. It is submitted that Applicant is proposing to acquire the Corporate Debtor as a going concern which is similar to resolution/ revival of the Corporate Debtor. In light of the same, Applicant requests and prays for the customary reliefs and concessions set out in aforesaid mentioned paragraphs for the successful implementation of this Acquisition done by the Applicant.

NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH

QQ. If any relief or concession required in future dates, which is not provided herein by Successful Bidder, while smooth operation and implementation of Corporate Debtor as going concern, they may entitle to seek any other or further remedies by filing separate application/ prayer etc. as may be deemed fit, proper at any time in future dates.

14.1 APPROVALS AND NON-COMPLIANCE IN PAST PERIOD AND IMMUNITY

RR. Successful Auction Purchaser and/ or the Corporate Debtor shall not be held liable in respect of all statutory/ regulatory non-compliances having occurred prior to the Transfer Date, including with respect to various provisions of Applicable Laws including but not limited to the Companies Act, 1956 and/ or Companies Act, 2013 and/ or the Taxation Laws and/ or SEBI Act and applicable regulations and/ or Foreign Exchange Management Act and also non preparation and non-approval of financial statements for any of the financial years prior to the transfer date.

SS. Waiver for the maintenance of books of accounts, records, registers, data (physical or digital), documents, licenses, certificates etc., but not limited to the same under various Statutes, Acts, Law, Rules and Regulations (e.g. Income Tax Act, Factories Act, Companies Act, Customs Act, Excise Act, Service Tax Act, Pollution Control Laws, State Acts etc.,) and condone from punishment or fine or penalty by the government authorities for the same for all such acts which had occurred prior to the Transfer Date including but not limited to filing of statutory returns as all action before the stated period is not in

the control of the RA and RA cannot vouch for the availability of such records, data, documents etc., for prior period.

TT. Any filing done to regularize the records shall be deemed to have been filed in the normal course within the stipulated time.

14. We observe that many of the reliefs sought in the Application are vague, general, and go beyond the jurisdiction of this Tribunal. Nevertheless, we have considered the reliefs that are directly related to the operationalisation of the Corporate Debtor and fall within the jurisdiction of this Tribunal. All reliefs, concessions, or prayers that are not specifically allowed are deemed to have been rejected. However, the Applicant is at liberty to approach the concerned authorities for the reliefs not granted by this Tribunal.

15. In light of the above discussions, we summarise the operative part of our decision in the manner laid out as under:

Sr. No.	Heading	Reliefs and Concessions as prayed for	
1	Shareholding of the Company & SEBI/Stock Exchanges	A. A direction may be issued that on Record Date to be determined by the newly constituted Board of Directors, the entire existing Equity Shares issued by the Corporate Debtor (held by the erstwhile Promoters Group as well as other public shareholders) shall stand cancelled without any further act or deed ("Capital Reduction") and without any pay-out and rights and liabilities arising out of the same shall also be extinguished.	Allowed as per para 5.
		B. A direction may be issued that on the Record Date, the Corporate Debtor will be entitled to issue and allot 95,00,000	Partly allowed as per para 5.

		new equity shares of Rs.10 each aggregating to INR 9,50,00,000/- (Rupees Nine Crores Fifty Lakhs Only) [new promoters' shareholding] to such persons as may be decided by the newly constituted board of Corporate Debtor and 5,00,000 new equity shares of Rs.10 each aggregating to INR 50,00,000 (Rupees Fifty Lakhs Only) [new public shareholding] to the strategic investors and/ or existing shareholders shall constitute 5% of the total paid up equity capital of the Corporate Debtor which will be in compliance of the SEBI Regulations in this regard:	The Applicant is at liberty to approach SEBI relating to SEBI guidelines.
		C. The cancellation/ allotment shall not require consent from any of the stakeholders including shareholders, creditors, regulators, stock exchanges, ROC etc.	Partly allowed as per para 5. The Applicant is at liberty to approach SEBI relating to SEBI guidelines.
		D. The Applicant will provide the list of identified Strategic Investors who will not be connected with them and shares will be issued on a private placement basis.	Allowed.
		E. The equity shares issued as aforesaid to the Successful Action Purchaser and/or its nominee as decided by new board of Corporate Debtor and that to the existing shareholders shall be listed forthwith on the Bombay and National Stock Exchange where it is presently listed.	Partly allowed as per para 5. The Applicant is at liberty to approach SEBI relating to SEBI

			guidelines.
		F. The approval of relief and concession shall be deemed to be due compliance of all provisions of Applicable Law for the purpose of allotment and reduction of equity share capital, and there shall be no requirement to add "and reduced" in the name of the Corporate Debtor.	Allowed.
		G. Further, the Capital Reduction, would not involve either a diminution of liability in respect of unpaid share capital, if any, or payment to any existing share holder of any unpaid share capital.	Allowed.
		H. By way of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017, issue of equity shares pursuant to an offer has been exempted from applicability of Chapter VII of the Corporate Debtor Regulations. Therefore, the Corporate Debtor shall not be required to comply with the requirements of Corporate Debtor Regulations for the issuance of Equity Shares to the Successful Auction Purchaser or its nominees. Accordingly, an exemption be granted from the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR Regulations"), SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 ("SEBI Corporate Debtor Regulations"), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations"), as amended, and other applicable laws for various corporate actions for restructuring	The Applicant is at liberty to approach the concerned authority.

		reduction of share capital, (except the lock-in provisions).	
		I. New shares shall be issued at a Face value of Rs. 10 pers share and the Pricing formulae, as applicable for preferential issue under SEBI Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 shall be exempted.	Partly allowed.
		J. The Corporate Debtor will not be required to make any payment pertaining to any of their outstanding amounts/ claims/ SOP fines of BSE and NSE before the Transfer Date. The BSE and NSE be directed to withhold all delisting process of the Corporate Debtor, if any and lift the suspension to enable the listing and trading of shares allotted pursuant to this Order. Any delisting process initiated either by NSE and BSE shall deem to have been withdrawn by the said authorities.	Partly allowed as per para 5.
		K. All non-compliances under the Companies Act 1956, Companies Act 2013, Securities and Exchange Board of India and Stock Exchange and all such other non-compliances under any other law should be regularized and all penalties payable in relation to the non-compliances stand waived off.	Allowed.

<table>
<tr><td></td><td></td><td>L. Waiver of the requirements of procedural requirements in terms of Section 66, Section 42 and Section 62(1)(c) of Companies Act, 2013 and the Company (Procedure for Reduction of Share Capital) Rules, 2016, Valuation of Pricing of Shares by Registered valuer under any Act, Law, Statute, Rules, Regulations etc. applicable.</td><td>Allowed.</td></tr>
<tr><td>2</td><td>Director(s)</td><td>M. On and from the date of Sale certificate, the board of directors shall be reconstituted. The new board of directors of the Corporate Debtor shall consist of following person:
<table>
<tr><th>Designation</th><th>Name</th><th>DIN</th></tr>
<tr><td>Managing Director</td><td>Arvind Bhanushali</td><td>00134211</td></tr>
<tr><td>Executive Director</td><td>Kurjibhai Premjibhai Rupareliya</td><td>05109049</td></tr>
<tr><td>Non-executive Director</td><td>Shilpa Singh</td><td>08448114</td></tr>
<tr><td>Independent Director</td><td>Priyanshu Seth</td><td>10859312</td></tr>
<tr><td>Independent Director</td><td>Jignesh R Lasaniawala</td><td>10838391</td></tr>
<tr><td>CFO</td><td>Nikunj K. Dasani</td><td>NA</td></tr>
<tr><td>CS and compliance officer</td><td>Meenu Balani</td><td>NA</td></tr>
</table></td><td>Allowed.</td></tr>
<tr><td></td><td></td><td>N. Immediately on approval of the relief by the Hon'ble NCLT the existing Directors and officers shall deemed to have resigned from the Company and they shall file their cessation with the</td><td>Allowed.</td></tr>
</table>

		Registrar of Companies along with copy of the order of the Hon'ble NCLT and without being required to obtain individual resignation of the Directors/ Officers.	
3	Financial Creditors	O. Upon payment of bid amount by the Successful Auction Purchaser all the dues of whatsoever nature of the Financial Creditors (whether admitted or not, due or contingent, asserted or un-asserted, crystalized or un-crystalized, known or unknown, disputed or undisputed, present or future, whether or not set out in the audited financial statements) including but not restricted to accrued interest (whether paid or unpaid), penal interest, claim, fees, commissions, compound interest, liquidated damages, charges, claims under existing outstanding Bank Guarantees or Corporate Guarantees (whether claimed or not or claims under existing outstanding Letter of Credits and other charges already accrued accruing or in connection with any third party claims) in relation to the financial debt of the Corporate Debtor, arising for any period until the date of order of the Hon'ble NCLT granting reliefs to the Successful Auction Purchaser / Corporate Debtor ("Transfer Date") shall stand permanently extinguished and no further amount will be required to be paid or payable by the Corporate Debtor or the Successful Auction Purchaser to the Financial Creditors. The Financial Creditors shall therefore release all their charges, encumbrances, lien, mortgage etc.	Allowed as per para 7.

		over all the assets of Corporate Debtor and handover all the original documents of the assets of the Corporate Debtor excluding the asset as mentioned in the E-Auction Process Information Document dated 15/07/2024 to the Successful Auction Purchaser.	
		P. The Hon'ble Tribunal may direct Financial Creditors to "UPGRADE" the Account of Corporate Debtor with Banks/ Financial Institution under the CIBIL Mechanism to "Standard Category" from NPA so as to enable the Successful Auction Purchaser to revive the business of Corporate Debtor afresh and turn around the Corporate Debtor.	The Applicant is at liberty to approach the concerned authority.
		Q. The Financial Creditors shall procure that all "Red Flagging", or "Fraud", or "Default" or "NPA" or such other negative classification on the Corporate Debtor, as applicable, shall stand withdrawn, including from the records of CRILIC, ROC, CERSAI, TransUnion, CRISIL, and Credit Information Bureau (India) Limited (CIBIL), RBI information utilities, wilful defaulter list, etc.	The Applicant is at liberty to approach the concerned authority.
		R. All the bank accounts of the Corporate Debtor, including the accounts held with the Financial Creditors shall stand unfrozen and any lien marked to the bank accounts shall stand removed.	The Applicant is at liberty to approach the concerned authority.
4	Operational Creditors	S. From the Transfer Date, irrespective of the fact that whether Operational Creditors/ Statutory Authorities/ other	Allowed as per para 8.

		creditors of the Corporate Debtor have received any amount or not by way distribution under Sec. 53 of the IBC Code, the liabilities of the Corporate Debtor towards the dues owed to Operational Creditors/ Statutory Dues/ other creditors till the Transfer Date shall stand settled in full, including any claims whether filed or not, whether admitted or not, whether asserted or not and whether or not set out in the audited balance sheet or the list of stakeholders. Accordingly, Operational Creditors/ Statutory Authorities/ other creditors of the Corporate Debtor will not have any claim of whatsoever nature against the Corporate Debtor prior to the Transfer Date.	
5	Claims by the Company/ Corporate Debtor	T. All existing and future receivables, claims, refunds, credits, benefits, grants, privileges by the Corporate Debtor and all its existing and future rights, entitlement, etc. with Governmental Authorities or any other Person (including third parties) but not limited to intellectual property rights, free from security interest, shall not be affected and shall remain enforceable after the Transfer Date and on and from the Transfer Date, such claims, entitlements and rights etc., shall be deemed to vest in the Corporate Debtor and/ or Successful Auction Purchaser and shall continue to exists and shall not get extinguished.	Not granted.
		U. Limitation period in respect of such receivables will be excluded and a fresh limitation shall be available to such receivables from Transfer Date to	Not granted.

		Corporate Debtor against their debtor before any of the statutory, judicial authority, arbitration proceedings and/ or court of law.	
6	Legal/ Litigations	V. That, on and from the Transfer Date, the liability of the Corporate Debtor for any offence, default, noncompliance or breach committed prior to the Transfer Date in respect of any compliances under any of the applicable laws including but not restricted to Central Sales Tax, VAT, CENVAT, MODVAT, Custom Act, Companies Act, 2013, Income Tax Act, GST, Stock Exchanges, SEBI Act or Regulations (including LODR, Employee State Insurance Act, 1948, Provident Fund Act, Payment of Bonus Act, Contract Labour Act, 1973, Industrial Disputes Act,1947, Minimum Wages Act, Equal Remuneration Act, 1776, Factories Act, 1948, Gratuity Act, 1972, FEMA, RBI Regulations, IEC, EPCG License, Micro, Small and Medium Enterprises Development Act, 2006, Medium Enterprises Development Act, 2006 etc. (collectively " Applicable Laws") shall cease, and the Corporate Debtor shall not be prosecuted or required to pay or settle any taxes, dues, claims, fees, penalty, charges, damages or interest (including any demand for any losses or damages or in connection with any third party claims or any inquires/ investigations by any government bodies or authorities such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFO), Enforcement Directorate (ED), or any other Government agency)	Partly granted as per para 10.

		thereon for such an non-compliance, default or offence and all the assessments, proceedings, demand notices, penalty proceedings, show-cause notice and appeals, whether completed or uncompleted, initiated or not initiated with respect to Applicable Laws shall deemed to have been completed and closed.	
		W. Further no action shall be taken against the Corporate Debtor or any of its assets (excluding the asset as mentioned in the E-Auction Process Information Document dated 15/07 / 2024) in relation to an offence committed prior to the Transfer Date.	Partly granted as per para 10.
		X. From the Transfer Date the Corporate Debtor shall not be prosecuted or liable for any civil, criminal or any other consequence including penalty arising from any such offence and all restrictions, impositions, prohibitions, debarments and limitations, whether interim or permanent on the Corporate Debtor shall stand vacated on the Transfer Date. Further no action shall be taken against any property of the Corporate Debtor and/ or Successful Auction Purchaser or any of its/ their employees, directors, or representatives in relation to an offence committed prior to the Transfer Date, upon change in control of the Corporate Debtor in favour of Successful Auction Purchaser.	Partly granted as per para 10.
7	Taxation (Direct – Indirect	Y. Department of Registration and Stamps, Government of Gujarat/Union Territory of Daman and Diu, State of	The Applicant is at liberty to

	Taxation)	Maharashtra, shall waive levy of any stamp duty and other fees applicable in relation this transaction.	approach the concerned authority.
		Z. The Corporate Debtor shall not be liable for any Taxes and shall be granted an exemption from all Taxes, levies, fees, transfer charges, transfer premiums, stamp duty, registration charges, surcharges, interests, penal charges and any such other levies, that arise from or relate to this acquisition, since payment of these amounts may make the acquisition unviable. Any reference to Taxes shall include any transfer premiums or charges, change of ownership/Control charges payable in connection with the Acquisition and the consequent change in ownership and Control of the Corporate Debtor.	The Applicant is at liberty to approach the concerned authority.
		AA. Successful Auction Purchaser and/ or the Corporate Debtor shall not be liable to pay any Taxes or interest or penalty or any prosecution arising out of pending or completed assessments or adjust its taxable income or brought forward losses as per provisions of Section 72A, Section 79, and/ or any other applicable provisions under Income-tax Act, 1961 pertaining to any period prior to the Transfer Date including but not limited to claim arising out of any notice or order received by Corporate Debtor pertaining to any period prior to Transfer Date having an impact on the taxable income, brought forward losses and/ or Tax payable by the Corporate Debtor on account of following reasons or other reason not listed below:	The Applicant is at liberty to approach the concerned authority.

		I. Any non-compliance in relation to filing of Income-tax Return under section 139 of Income tax Act, 1961 including any other forms as required to be filed by Corporate Debtor under provisions of Income-tax Act, 1961. II. All Claims (whether contingent or crystallized, known or unknown, filed or not filed) of Governmental Authorities m relation to all Taxes/ interest/ penalty which the Corporate Debtor was or may be liable to pay (including with respect to financial years under assessment), all deductions and all withholding Taxes on any payment, as required under Applicable Law and pertaining to the period prior to the Transfer Date shall stand extinguished on the Transfer Date. Furthermore, and without prejudice to the generality of the foregoing, any assessment, reassessment, revision or other proceedings under the provisions of the applicable Laws relating to Taxes would be deemed to be barred in relation to any period prior to the Transfer Date, by virtue of the order of the Adjudicating Authority; III. A direction be issued that the requirement of obtaining a no objection certificate under Section 281 of the Income-tax Act, 1961 and provisions of taking over its predecessor's Tax liability under Section 170 of the Income-tax Act,	

		1961 shall not be applicable. Further, the transaction shall not be treated as void under section 281 of the Income tax Act, 1961 for any claims in respect of Tax or any other sum payable by the Corporate Debtor or any shareholder of the Corporate Debtor. IV. Liability arising on capital reduction in Corporate Debtor, consolidation of share capital of Corporate Debtor, write off write down of current amounts due to employees, vendors, Operational Creditors, Financial Creditors, value of assets, value of inventories, etc. without any impact on brought forward tax and book loss/ depreciation; and waive all liabilities whether crystallized or not in respect of Taxes (including interest and penalty) arising in respect of periods up to the Transfer Date. V. Waiver of principal Loan amount/ and/ or waiver of any other creditors (operational/ financial/ unsecured loan/other liabilities) as well as waiver of interest as appearing in the books of accounts of the Company as on the date of Upon approval of the Sale as going concern of Corporate Debtor by NCLT and such written back amount will be credited to capital reserve in the books of account. VI. Since the process of "Acquisition of	

			the corporate debtor under liquidation as a Going Concern" is a significant event, the Corporate Debtor shall be allowed to treat all the unpaid liabilities in the books after settlement u/ s 53 of IBC to be Capital in Nature, as consecutively, the entire write back to be considered as a Capital Reserve and shall not be liable for any income tax liability on write back of all the unpaid liabilities in the books after settlement u/ s 53 of IBC. Corporate Debtor shall draw its financial statements in subsequent year(s) so as to reflect the true and fair value of its assets by writing-off the book value of its assets including but not limited to book-debts, inventories etc. and such write-off shall be claimed as losses under the provisions of the Income Tax Act, 1961. VII. Grant relief under section 28, Section 41, Section 56, Section 115 JB, and Section 170 of the Income tax Act, 1961 against any Income-tax liability arising due to Capital Reduction in the Corporate Debtor, write off/write down/write back of various liabilities, including liabilities pertaining to all the Financial Creditors, Workmen and Employees, Operational Creditors, Other Creditors, writeback of impairment of assets, investments, inventories, trade & other receivables, loans & advances, and other current & non-current assets etc. without any impact on carried	

			forward loss and further waive all liabilities whether crystallized or not in respect of Taxes (including interest and penalty thereon) pertaining to the period prior to the date on which the Acquirer takes control of the Corporate Debtor.	
			VIII. All potential direct / indirect tax liability (including but not limited to any potential MAT liability, potential liability under section 56 and 50CA of Income Tax Act, 1961) as may be incidental to the Transaction shall be waived. Income tax authorities to allow representation of the case/ appeal for the different financial years, without any additional burden on the Corporate Debtor and/ or Bidder, for the income tax notices/ demands/ penalties/ assessments/ adjustments of the accumulated losses (including but not limited to additions/ adjustments under Transfer Pricing under the Income-tax Act, 1961) up to the Transfer Date, where the Corporate Debtor failed to represent the case effectively. Such representation/ appeal should not be treated as time barred.	
			IX. On and from the Transfer Date, any debit or credit, being the balancing figure, shall be adjusted by the Corporate Debtor in the capital/ other reserve at its sole discretion and the same shall be deemed to be in compliance with the	

NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH

		applicable accounting standards without any tax implications on the Corporate Debtor upon such adjustment.	
8	General Reliefs	BB. On and from the Transfer Date, no consents, licenses, approvals, rights, entitlements, benefits and privileges whether under Applicable Law, contracts, leases, granted m favour of Corporate Debtor, shall be terminated on the grounds of initiation of insolvency / liquidation of the Corporate Debtor under the IBC, change of control over the Corporate Debtor and these pursuant to the acquisition by Successful Auction Purchaser or on account of unpaid dues which have been settled pursuant to this acquisition.	Not granted as per para 12.
		CC. A direction be issued that all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license. granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled to shall, notwithstanding any provision to the contract in their terms and irrespective of the commencement of the insolvency / liquidation proceedings under the IBC, in relation to the Corporate Debtor be deemed to continue without disruption, for the benefit of the Corporate Debtor and all additional licenses, registrations and consents required by the Corporate Debtor to be made available immediately from the Transfer Date, to facilitate running of the business as	Not granted as per para 12.

		going concern.	
9.	Incidental Relief & Concessions	DD. The status of the Corporate Debtor in the MCA portal shall be converted as " Active" from the status of "liquidation" on and from Transfer date/NCLT approval date.	Not Granted.
		EE. The bid submitted by the Applicant be considered to be a resolution plan for all purposes and all attendant benefits, privileges and exemptions under various laws including the Income Tax Act, 1961 shall be applicable;	Not granted.
		FF. Revocation of Suspension or Relisting of the trading of Equity Share of the Corporate Debtor on the stock exchange i.e., The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).	Not granted.
		GG. The existing statutory Auditors would deemed to have resigned as Auditors of the Company and the new Board would be entitled to appoint new Auditor without any other approval from shareholders or central government or any other authority on and from Transfer date/NCLT approval date.	Does not require AA's approval.
		HH. Direction be issued, on and from Transfer date/NCLT approval date that the registered office of the Corporate Debtor be shifted from its present location to any other location and the Registrar of Companies and any other authority be directed to approve/ accept the same without any approval of shareholders/ statutory approvals and dispense with any such approvals.	Not granted.

		II. Direction be issued, that the on and from Transfer date/NCLT approval date, MOA/ AOA of the company be altered as may deem fit and the Registrar of Companies and any other authority be directed to approve/ accept the same without any approval of shareholders/ statutory approvals and dispense with any such approvals.	Not granted.
		JJ. The issuance or allotment of Equity Shares and share-warrants, cancellation, extinguishment and restructuring of the existing equity share capital, increase in authorized share capital of the Corporate Debtor, appointment of statutory auditor, amendment of the memorandum of association and articles of association of the Corporate Debtor, appointment of new Directors on the Board of the Corporate Debtor, continuity of listing status, resumption of trading in equity shares on stock exchanges and implementation of such other actions and matters contemplated, shall not require any approvals of the shareholders, Board and/ or corporate action by the Corporate Debtor after approval of this Application by Hon'ble NCLT.	Partly allowed.
		KK. Rights/Entitlements/ Assets to be free from all charges/ encumbrances/ set-off;	Allowed.
		LL. The Registrar of Companies, Sub-Registrar, Mamlatdar or any other authorities where charge is registered qua the assets of the Company shall	Allowed subject to procedural compliances.

			remove all the charges basis the present order and no consent from the charge-holders be asked from by the respective authorities for removing the charge.	
		MM.	No tangible or intangible, corporeal or financial assets including but not limited to the Tax Deducted at Source, Input Tax Credit (under GST), Cash Ledger (under GST) shall be adjusted by the statutory authorities against any claim, whether filed or not, whether crystalized or not, which is related to a period prior to the date of allowing the present application.	Applicant is at liberty to approach the concerned authority.
		NN.	No rights or entitlements, registrations, permits, licenses, grants including but not limited to PAN; TAN; GST Registration(s); Electricity Connection(s); Gas Supply Connection(s) shall be denied, forfeited, cancelled or revoked on account of unpaid dues, non-observation of terms or any other reasons of whatsoever nature which took place in the period prior to the date of allowing the present application. Further, no adverse or special conditions, whether monetary or otherwise, shall be imposed upon the 1 I Corporate Debtor on account of any unpaid past arrears or mis-conducts.	Applicant is at liberty to approach the concerned authority.
		OO.	Applicant be protected in terms of Section 32A of the Code, since it has purchased the Corporate Debtor, on a going concerns basis	Allowed.
		PP.	It is submitted that Applicant is proposing to acquire the Corporate	Not allowed

		Debtor as a going concern which is similar to resolution/ revival of the Corporate Debtor. In light of the same, Applicant requests and prays for the customary reliefs and concessions set out in aforesaid mentioned paragraphs for the successful implementation of this Acquisition done by the Applicant.	
		QQ. If any relief or concession required in future dates, which is not provided herein by Successful Bidder, while smooth operation and implementation of Corporate Debtor as going concern, they may entitle to seek any other or further remedies by filing separate application/ prayer etc. as may be deemed fit, proper at any time in future dates.	Not allowed.
10	Approvals and Non-Compliance in Past Period and Immunity	RR. Successful Auction Purchaser and/ or the Corporate Debtor shall not be held liable in respect of all statutory/ regulatory non-compliances having occurred prior to the Transfer Date, including with respect to various provisions of Applicable Laws including but not limited to the Companies Act, 1956 and/ or Companies Act, 2013 and/ or the Taxation Laws and/ or SEBI Act and applicable regulations and/ or Foreign Exchange Management Act and also non preparation and non-approval of financial statements for any of the financial years prior to the transfer date.	Allowed.
		SS. Waiver for the maintenance of books of accounts, records, registers, data (physical or digital), documents, licenses, certificates etc., but not	Applicant is allowed to approach the concerned

		limited to the same under various Statutes, Acts, Law, Rules and Regulations (e.g. Income Tax Act, Factories Act, Companies Act, Customs Act, Excise Act, Service Tax Act, Pollution Control Laws, State Acts etc.,) and condone from punishment or fine or penalty by the government authorities for the same for all such acts which had occurred prior to the Transfer Date including but not limited to filing of statutory returns as all action before the stated period is not in the control of the RA and RA cannot vouch for the availability of such records, data, documents etc., for prior period.	authority.
		TT. Any filing done to regularize the records shall be deemed to have been filed in the normal course within the stipulated time.	Not granted.

15.2 In terms of the above, the instant application bearing **I.A. No. 840 of 2025** is **partly allowed** and disposed of with no order as to costs.

Sd/-

ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Aditya, LRA

Sd/-

K. R. SAJI KUMAR
MEMBER (JUDICIAL)

***

राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

Certified True Copy
Copy Issued "free of cost"
On 09.03.2026

09.03.26
Deputy Registrar
National Company Law Tribunal Mumbai Bench