The Silent Performer
XL ENERGY LTD

Date: 20.06.2025

To,
The General Manager,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code 532788

To
National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai- 400051
SYMBOL XL Energy

Subject: Intimation of NCLT Order dated 02-05-2025 – Relisting Direction of XL Energy Limited

Ref: Regulation 30 of SEBI (LODR) Regulations, 2015

Respected Sir/ Ma'am,

We refer to our intimation regarding approval of resolution plan of the Company by the **Hon'ble National Company Law Tribunal, Hyderabad Bench, Court II in I.A. No.** 5 of 2024 in CP(IB) No. 16/7/HDB of 2023 dated 19.04.2024.

We wish to inform you that pursuant to the directions issued by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated May 02nd 2025, in the matter of XL Energy Limited (Company), the Tribunal has directed the relisting of the shares of the Company on the stock exchanges.

The Hon'ble NCLT has further observed that BSE Limited and National Stock Exchange of India Limited, being the Respondents in the said application, are required to take necessary steps for relisting of the Company's securities in accordance with the Resolution Plan approved by this Authority vide Order dated 19.04.2024 in I.A. (IBC) (Plan) No. 5 of 2024.

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby intimating the stock exchanges about the said NCLT order for your record and necessary action.

A copy of the NCLT Order dated May 02nd 2025 is enclosed herewith for your reference.

You are requested to kindly take the above information on record.

Thanking You.
FOR XL ENERGY LIMITED

Naresh Jain
Digitally signed by Naresh Jain
Date: 2025.06.20 18:53:42 +05'30'

Naresh Jain
Director
(DIN: 00291963)

XL ENERGY LIMITED

SL. No.2

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

COURT HALL NO: II

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ – HON'BLE MEMBER (J)
CORAM: SHRI. SANJAY PURI - HON'BLE MEMBER (T)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH, HELD ON 02.05.2025 at 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	**IA (IBC)/1726/2024 in Company Petition IB/16/2023**
NAME OF THE COMPANY	**XL Energy Limited**
NAME OF THE PETITIONER(S)	**Invent Assets Securitization and Reconstruction Pvt Ltd**
NAME OF THE RESPONDENT(S)	**XL Energy Limited**
UNDER SECTION	**7 of IBC**

ORDER

IA (IBC)/1726/2024

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

Apoorva

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT-II

I.A (IBC) No. 1726 of 2024

in

C.P (IB) No.16/7/HDB/2023

[Under Section 32A and Section 60(5) of Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of the National Company Law Tribunal Rules, 2016]

In the matter of Invent Assets Securitisation and Reconstruction Private Limited vs. M/s. XL Energy Limited

Between:

Consortium of Ms. Karishma Jain,
M/s. Jupiter City Developers (I) Limited, and
M/s. Adwaita Navigations Private Limited,
Successful Resolution Applicant of M/s. XL Energy Limited
Tower 1, 1201, 12th Floor, Sumer Trinity Apartment,
Near Samna Press, Prabhadevi- 400025.

…Applicant

And

1. **National Stock Exchange of India Limited** (NSE),
   Exchange Plaza, Bandra Kurla Complex,
   Bandra East, Mumbai-400051.

   ...Respondent No.1/R1

2. **Bombay Stock Exchange Limited** (BSE),
   Phiroze Jeejeebhoy Towers, Dalal Street,
   Kala Ghoda, Fort, Mumbai-400001.

   ...Respondent No. 2/R2

3. **Central Depository Services (India) Limited** (CDSL),
Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel,
Mumbai-400013.

...Respondent No. 3/R3

4. **National Securities Depository Limited** (NSDL)
3rd Floor, Naman Chamber, Plot C-32,
G-Block, Bandra Kurla Complex, Bandra East,
Mumbai-400051.

...Respondent No. 4/R4

5. **Mr. Vijay Pitamber Lulla**,
Chairman of Monitoring Committee of
M/s. XL Energy Limited,
Having registered address at 201, Satchidananda Bldg,
12th Road, Khar West, Mumbai-400052.

...Respondent No. 5/R5

Date of Order: 02.05.2025

Coram:

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

Counsels Present

For the Applicant	: Mr. Kunal Kanoongo ASV, Advocate
For Respondent No. 1	: Mr. Prashant Raj alongwith Mr. Anirban Bhattacharje, Advocates
For Respondent No. 3	: Mr. Mahesh Kumar, Advocate
For Respondent No. 4	: Ms. B. Ramya, Advocate
For Respondent No. 5	: Mr. Rishika Kumar alongwith Mr. Amir Bavani, Advocates

[PER: RAJEEV BHARDWAJ, MEMBER (JUDICIAL)]

ORDER

1. The present application is filed by the Consortium of Ms. Karishma Jain and Ors., the Successful Resolution Applicant of M/s. XL Energy Limited, inter alia, seeking the following reliefs:

   a. To direct the Respondent No. 1 and Respondent No. 2 to consider the request of the Applicant herein afresh to re-list the Corporate Debtor entity forthwith and without any demur.

   b. To direct Respondent No 3 and Respondent No. 4 to activate the Corporate Debtors relevant credentials required to implement the Resolution Plan.

   c. To direct Respondent No. 3 and 4 as per clause 7.1.3.1 & 7.1.3.2 to take all the necessary steps/for cancellation /removal of all the shares respectively in the name of the Corporate Debtor with ISIN No. INE183H01011.

   d. To direct Respondent No. 3 and 4 to furnish a list of shareholders as to enable the Applicant to issue fresh shares to the Existing shareholder & to credit the Demat account of the Shareholders with the fresh shares to be issued pursuant to the Resolution Plan & extinguish and waive all the fines and penalties and dues of the CD prior to Insolvency Commencement date in terms of the Approved Resolution Plan.

2. **Application:**

(i) M/s. Invent Assets Securitisation and Reconstruction Private Limited (**Financial Creditor/FC**) filed a Company Petition bearing CP (IB) No. 16/7/HDB/2023 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (**IBC**), seeking initiation of the Corporate Insolvency Resolution Process (**CIRP**) against M/s. XL Energy Limited **(Corporate Debtor/CD**). This Authority, vide Order dated 27.03.2023 admitted the CD into CIRP by appointing Mr. Vijay Pitamber Lulla as the Interim Resolution Professional (**IRP**), who was subsequently confirmed as the Resolution Professional (**RP**) by the Committee of Creditors (**CoC**).

(ii) Pursuant to publication of Form G (invitation for Expression of Interest), the Applicant emerged as the Successful Resolution Applicant (**SRA**), after receiving approval from COC with 73.68% voting for the Resolution Plan submitted by the Applicant.

(iii) The RP (**Respondent No. 5/R5**) thereafter filed IA (IBC) (Plan) No. 5 of 2024 under Section 31 of the IBC, seeking for approval of the Resolution Plan submitted by the Applicant, which was approved by this Authority on 19.04.2024.

(iv) The CD, a publicly Listed Company, had its equity shares compulsorily delisted for a period of ten (10) years due to violations under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**SEBI Delisting Regulations, 2009**). The

Resolution Plan proposed by the Applicant included re-listing of the CD's shares, which was duly approved by the CoC.

(v) This Authority, vide Order dated 19.04.2024 in IA No. 5 of 2024, made the following observations:

> "As regards to the reliefs sought, the Corporate Debtor has to approach the authorities concerned for such reliefs and we trust the authorities concerned will do the needful."

(vi) In accordance with the approved Resolution Plan and this Authority's direction, R5 addressed letters dated 21.04.2024 to Respondents Nos. 1 and No. 2, requesting re-listing of the CD's equity shares.

(vii) The Applicant, in furtherance of the request, followed up with Respondent No. 1 regarding the status of the re-listing request. However, the request was rejected by Respondent No. 1 under Regulation 40(1)(b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**SEBI Delisting Regulations, 2021)**. This rejection was communicated to the Applicant via email dated 29.07.2024.

(viii) It is pertinent to note that Section 32A of the IBC was introduced to provide immunity to the CD's new management from prior offences once a Resolution Plan is approved. The Hon'ble Supreme Court, in ***Manish Kumar v. Union of India & Anr. [WP (C) No. 26 of 2020],*** **(2021)** ***ibclaw.in 16 SC*** has upheld this legislative intent, affirming that

liabilities of the CD for past offences stand extinguished upon approval of a Resolution Plan and change in management.

(ix) The Respondent No. 1 placed reliance on Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021 to deny the re-listing of the CD in direct contravention of the objectives of Section 32A of IBC. However, as per Section 238 of the IBC, the Code shall have an overriding effect over any other law inconsistent with its provisions, including Securities Regulations. Hence, the relief sought under the approved Resolution Plan cannot be denied.

(x) Additionally, Respondent No. 1 failed to take into consideration the specific circumstances that led to the delisting of the CD's shares, as envisaged under Regulation 40(3) of the SEBI Delisting Regulations, 2021.

(xi) Furthermore, Regulation 42 of the SEBI Delisting Regulations, 2021 permits exemptions from the applicability of any regulation in the interest of investors, which ought to have been exercised in the present case to facilitate re-listing.

(xii) As on the CIRP commencement date, approximately 77.77% of the CD's shares were held by the public, the Resolution Plan explicitly proposed that the CD would continue as a listed entity and laid down a roadmap for compliance with Rule 19A(5) of the Securities Contracts (Regulation) Amendment Rules, 2021, by maintaining a minimum 5% public shareholding and increasing it to 25% over a three years period.

(xiii) Despite several requests, Respondent Nos. 3 and 4 failed to activate the CD's credentials required for implementation of the Resolution Plan, particularly the ISIN No. INE183H01011. This non-cooperation has hindered the allocation of new shares and updating of the new shareholding structure.

(xiv) Although the Applicant has made all the payments to the stakeholders under the Resolution Plan, the failure of Respondents Nos. 1 to 4 to act in accordance with the Plan and this Authority's directions has resulted in the non-reflection of the new shareholding pattern in the public records, thereby obstructing the effective implementation of the Resolution Plan.

3. **Counter by R1/National Stock Exchange of India Ltd.**

(i) The equity shares of the CD were listed with Respondent No. 1 since 28.12.2006. The trading in the shares was suspended with effect from 09.01.2020 due to non-compliance with Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR Regulations**) and non-payment of fines levied for such non-compliance.

(ii) Respondent No. 1 issued a public notice on 11.11.2020, followed by a show cause notice on 13.11.2020, calling upon the CD to show cause as to why its equity shares should not be compulsorily delisted. Additionally, an email dated 08.12.2020 was sent to the CD. However, the CD failed to respond to any of the above communications.

(iii) Thereafter, the Delisting Committee of the Respondent No. 1 proceeded with the delisting of the shares in accordance with Regulation 22(1) of the LODR Regulations r/w Rule 21(b) of the Securities Contracts (Regulation) Rules, 1957. The shares were formally delisted by Order dated 19.07.2021.

(iv) The Applicant vide email dated 19.07.2024 informed the Respondent No. 1 that has taken over the CD and sought relisting of the CD's shares. Respondent No. 1, in its reply dated 29.07.2024, stated that the shares were delisted with effect from 03.09.2021, while CIRP commenced much later, on 27.03.2023. Therefore, the provisions of Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021 apply, which prohibits relisting for a period of 10 years from the date of delisting.

(v) This Authority does not have jurisdiction under Section 60(5) of the IBC as the matter in question does not pertain to Insolvency Resolution or Liquidation Proceedings

(vi) The delisting was carried out prior to the initiation of CIRP and in accordance with the law as applicable at the relevant time. Accordingly, the CIRP process does not provide retrospective protection to the CD.

(vii) The Applicant's remedy lies before the Securities Appellate Tribunal (**SAT**), established under Section 15K of the Securities Exchange Board of India Act, 1992 (**SEBI Act, 1992**), which is the appropriate forum for adjudication of such matters arising under securities law.

Similarly, Section 23L of the SCRA also provides for an Appeal before the SAT for any person aggrieved by the decision or Order of a recognized Stock Exchange.

(viii) The delisting was warranted due to persistent non-compliance with Regulation 31 of the LODR Regulations, and non-payment of Rs.17,19,260/- towards non-compliance while an additional amount of Rs.29,81,663/- was due and payable as listing fees as on 25.05.2021.

(ix) The CD was afforded ample opportunity to rectify the non-compliance but failed to do so. Respondent No. 1 is now bound by the regulatory framework and cannot act beyond the four corners of the applicable regulations.

(x) The assertion that Section 238 of the IBC overrides Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021 is denied. It is submitted that the said regulation continues to apply, and the IBC does not operate to override such statutory obligations.

4. **<u>Counter by R5/Resolution Professional</u>**

(i) The SEBI Delisting Regulations, 2009 were in force at the time the CD was delisted. In view of the enactment of the IBC in 2016, SEBI amended the 2009 Regulations vide notification dated 31.05.2018, introducing Regulation 30(2A), which states:

> *"Notwithstanding anything contained in sub-regulation (1), an application for listing of delisted equity shares may be made in respect of a company which has undergone corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 [No. 31 of 2016]."*

(ii) Subsequently, the 2009 Regulations were repealed and replaced by the SEBI Delisting Regulations, 2021. Respondent No. 1 has erroneously rejected the relisting application based on Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021. However, the delisting occurred prior to the SEBI Delisting Regulations, 2021 and is governed by the erstwhile regulatory regime. The CD is, therefore, eligible for exemption under Regulation 30(2A) of the SEBI Delisting Regulations, 2009.

(iii) Further, Regulation 44(b) of the SEBI Delisting Regulations, 2021 provides that acts done under the repealed regulations are preserved, and aggrieved parties retain the right to seek redress under those regulations. Since the delisting took place before the new Regulations came into force, the CD's rights must be determined under SEBI Delisting Regulations, 2009, wherein the exemption under Regulation 30(2A) is squarely applicable.

(iv) The Respondent No. 1 has disregarded the overriding effect of Section 32A and Section 238 of the IBC. Upon approval of a Resolution Plan under Section 31 of the IBC, Section 32A restricts imposition of liabilities for acts or omissions occurring prior to the CIRP. The rejection of relisting by NSE effectively penalizes the SRA for past non-compliances of the erstwhile management.

(v) SEBI in its high-level Committee Report on the 'Measures for Strengthening the Enforcement Mechanism of the Board and Incidental Issues' at page no. 423 observed the following:

"In light of the interpretation of the term 'offence' by the Supreme Court in Standard Chartered judgment (referred above) [Civil Appeal No. 1748 of 1999), any contravention of SEBI Act by a corporate debtor may be treated as an offence regardless of whether any prosecution has been initiated by SEBI against the violator or not. Hence any violation of securities laws committed by a corporate debtor prior to CIRP stands absolved."

(vi) It is the duty of Respondent No. 1 to protect the interests of the investors, and blanket denial of relisting frustrates the objectives of the IBC, particularly the revival of distressed companies and maximization of asset value. Also, relisting of shares facilitates value realization for public shareholders, aligning with the intent of both SEBI and the IBC.

(vii) The Resolution Plan, in Paragraphs 7.1.3.4 and 7.1.3.5 at Page 44, lays down the steps to ensure compliance with Rule 19A(5) of the Securities Contracts (Regulation) (Amendment) Rules, 2021, which pertains to maintaining public shareholding norms. The Resolution Applicant has, therefore, proactively addressed the compliance framework post-revival.

5. **<u>Written Submissions by the Applicant</u>**

(i) The actions of Respondent No. 1 are in direct contradiction to the principles underlying the "clean slate" doctrine, as encapsulated under Section 32A read with Section 238 of IBC. Despite the specific observation by the SEBI in its High-Level Committee Report on ‘Measures for Strengthening the Enforcement Mechanism and Incidental Issues’ which clarified that offences committed prior to the initiation of the CIRP stand extinguished.

(ii) The provisions of the IBC prevail over any inconsistent regulations, including the Delisting Regulations, by virtue of the non-obstante clause enshrined in Section 238 of the IBC.

(iii) The Applicant further reiterated its contention regarding the applicability of the SEBI Delisting Regulations, 2009 to the present matter, and contended that the exemption provided under Regulation 30(2A) thereof is applicable in the instant case.

(iv) The Applicant placed reliance on the judgment of the Hon'ble High Court of Bombay in ***Mr. Shiv Charan & Ors. v. Adjudicating Authority & Ors.*** in ***Writ Petition (L) No. 9943 of 2023],*** 2024 SCC OnLine Bom 701, wherein it was held that criminal offences and liabilities arising therefrom, committed by the CD prior to the commencement of the CIRP, are extinguished.

(v) The Applicant also referred to the order passed by the National Company Law Tribunal ("NCLT"), Hyderabad Bench in ***Ganapa Narsi Reddy v. BSE Limited*** in ***IA (IB) 1576 OF 2023*** in ***CP (IB) No. 115/9/HDB/2020***, wherein a similar factual matrix was considered and relief was granted on analogous grounds.

(vi) Lastly, the Applicant has relied upon the judgment of the Hon'ble National Company Law Appellate Tribunal (**NCLAT**), New Delhi in ***Nikhil Jain v. Anil Goel, Liquidator of Birla Cotsyn (India) Ltd***. in ***Company Appeal (AT) No. 148 of 2024], 2024 SCC OnLine NCLAT 1011***, highlighting the obligation of the Adjudicating

Authority/NCLT to ensure effective and proper implementation of the Resolution Plan approved under the IBC.

6. **Written Submissions by R1/ National Stock Exchange of India Ltd**

(i) The Respondent No. 1 relies on the decision of the NCLT, Ahmedabad in ***Invesco Asset Management (India) Pvt. Ltd. v. Sintex Industries Ltd.,*** vide ***Order dated 14.02.2022*** in ***IA No. 412/AHM/2022*** in ***CP (IB) 848/AHM/2019,*** and Hon'ble Supreme Court decisions in ***Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta & Ors.,*** in ***Civil Appeal No.9241/2019,*** vide ***Order dated 08.03.2021 [2021] 13 S.C.R.611;*** and ***Embassy Property Developments Pvt. Ltd. v. State of Karnataka & Ors.*** in ***Civil Appeal No. 9170 of 2019,*** vide ***Order Dt.03.12.2019 [2019] 17 S.C.R.559*** to contend that the jurisdiction of the NCLT under Section 60(5) of the IBC is limited and does not extend to adjudicating disputes involving delisting of securities governed by the SEBI Regulations.

(ii) The appropriate forum for adjudication of such disputes is the SAT constituted under Section 15K of the SEBI Act, 1992, and Section 23L of the Securities Contracts (Regulation) Act, 1956, which expressly provides for appeals from decisions of recognized Stock Exchanges.

(iii) The Respondent No. 1 relies on the Insolvency Law Committee Report dated 20.02.2020, which clarifies that Section 32A of the IBC applies only to criminal liabilities of the CD. The non-compliance with the LODR Regulations, being regulatory in nature, does not amount to a criminal offence and hence does not attract immunity under Section 32A.

(iv) As of the date of submission of the Resolution Plan, the CD stood delisted. In terms of Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021, a Company whose shares have been delisted shall not be eligible for relisting for a period of 10 years. The approval of the Resolution Plan does not operate as a waiver of this statutory bar, and no specific direction has been issued by this Tribunal granting such waiver.

(v) The Respondent No. 1 further relied on decision of Hon'ble NCLAT, New Delhi in ***Damodar Valley Corporation v. Cosmic Ferro Alloys Limited*** in ***CA (AT)(INS) No. 110 of 2020, (2021) ibclaw.in 468 NCLAT*** to assert that mere approval of the Resolution Plan cannot be construed as waiver of any statutory obligations/liabilities of CD.

7. **Written Submissions by R5/Resolution Professional**

(i) The Respondent No. 5 reiterated the contentions in counter with respect to the amendment to the erstwhile Delisting Regulations and applicability of such repealed regulations in terms of Regulation 44(b) of 2021 Delisting Regulations.

(ii) The Respondent No. 1 disregarded Section 32A along with Section 238 of the IBC and violated the aim and object of the IBC.

(iii) Respondent No. 5 places reliance on the decision of the NCLT, Hyderabad in ***Ganapa Narsi Reddy v. BSE Limited*** vide ***Order dated 20.02.2024*** in ***IA No.1576 of 2023*** in ***CP (IB) No. 115 of 2020,*** to emphasize that this Authority has jurisdiction as the present proceedings culminated out of the proceedings under the Code.

8. This Authority, vide Order dated 03.03.2025, has set Respondent Nos. 2 &3 as ex-parte and forfeited the Respondent No. 4's right to file the counter.

9. **Findings**

(i) Before the initiation of the CIRP against the CD vide Order dated 27.03.2023, the CD was a Listed Company with Respondent No. 1 from 28.12.2006 until 09.01.2020. The trading in the equity shares of the CD was suspended on 09.01.2020 due to non-compliance with Regulation 31 of the LODR Regulations, and for non-payment of fines imposed for such non-compliance. Despite issuance of show cause notices, the CD failed to respond, leading to the delisting of its shares vide Order dated 19.07.2021 (**Annexure 5 of the Respondent No. 1's counter**), under Regulation 22(1) of the SEBI Delisting Regulations, 2009 read with Rule 21(b) of the Securities Contracts (Regulations) Rules, 1957. The grounds for delisting are set out in the show cause notice (**Annexure 3**) and in para 1.2 of the Order dated 19.07.2021 (**Annexure 5).** As regards Respondent Nos. 2 to 4, they have not contested the Application, thereby indicating that they have no objection to the re-listing of the shares.

(ii) The impugned Order dated 19.07.2021 was passed under the SEBI Delisting Regulations, 2009. Although by that time the SEBI Delisting Regulations, 2009 had been replaced by the SEBI Delisting Regulations, 2021 pursuant to Notification dated 10.03.2021, there is no infirmity in passing of the said Order under SEBI Delisting Regulations, 2009, since the proceedings had commenced when SEBI Delisting Regulations, 2009 were still in force.

(iii) In the aforesaid background, the following issues arise for consideration:

A. Who are bound by the Resolution Plan

B. Whether listing of shares was part of the Resolution Plan

C. Jurisdiction of the NCLT

D. Non-appreciation of provisions of law for rejecting the claim of the Applicant

E. Extinguishment of Liabilities prior to CIRP

F. Overriding Nature of the IBC

A. Who are bound by the Resolution Plan

(a) It is by now well-settled that once a Resolution Plan is approved by the Adjudicating Authority under Section 31(1) of the IBC, it becomes binding on all stakeholders, including the CD, its employees, members, creditors, and even Statutory Authorities, such as, the Central and State Governments, and local Authorities. This binding effect is not merely procedural; it is an essential facet of the IBC framework which aims at giving a fresh lease of life to the CD through a clean break from past liabilities and litigations.

(b) This principle has been affirmed by the Hon'ble Supreme Court in ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*** in ***Civil Appeal Nos. 8766-67 of 2019, (2020) 8 SCC 531*** and ***Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction***

Company Limited in ***Civil Appeal No. 8129 of 2019, (2021) 9 SCC 657***, which emphasized the binding nature of a Resolution Plan, resulting in a "clean slate" for the CD post-approval.

(c) In the instant case, the Resolution Plan approved by this Authority is binding upon the Respondent Nos. 1 to 4, and neither can raise any demand, condition, or requirement that is inconsistent with or beyond the scope of the said Plan.

B. Whether listing of the shares was part of Resolution Plan

(a) A perusal of the approved Resolution Plan reveals that relisting of the CD's equity shares is not merely incidental but is expressly stipulated as an integral component of the revival strategy envisioned by the SRA. The relisting is critical for restoring investor confidence, unlocking value for shareholders, and enabling the CD to access capital markets for future funding.

(b) The SRA has submitted a representation to the Respondents for facilitating relisting, in compliance with the provisions of the Plan and to give full effect to the Resolution Plan approved under Section 31 of the IBC. Therefore, any delay or refusal to permit relisting would amount to defeating the express terms of the approved Resolution Plan and would obstruct the revival of the CD.

C. Jurisdiction of NCLT

(a) While the Resolution Plan was approved by Order dated 19.04.2024, its implementation remains incomplete due to the rejection of the relisting application citing Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021 by Respondent No. 1. Although the SRA was directed to approach the appropriate Authorities for listing of shares, Respondent No. 1 insisted that since the CD had not paid fines earlier, relisting could not occur for ten years, relying on the SEBI Delisting Regulations. This approach ignored the overriding provisions of Sections 32A and 238 of the IBC.

(b) The IBC casts a duty upon this Tribunal to ensure timely completion and effective implementation of the CIRP and the Resolution Plan. In ***State Bank of India v. Consortium of Mr. Murari Lal Jal and Mr. Florian Frsitsch*** [***Civil Appeal Nos. 5023-5024 of 2024*** with ***Civil Appeal No.12220-12221 of 2024], 2024 INSC 852***, the Hon'ble Supreme Court emphasized the importance of timely implementation of the Resolution Plan. Further, in ***Ghanashyam Mishra (****supra****),*** the Hon'ble Supreme Court observed that the legislative intent behind the Code is to freeze all past claims, ensuring a fresh start for new management. Therefore, there is need to intervene in the acts of the Respondents Nos. 1 to 4 in not complying with the terms & conditions of the Resolution Plan.

(c) Under Section 60(5)(c) of the Code, this Authority has jurisdiction to adjudicate matters arising out of or relating to the CIRP and implementation of the Resolution Plan, including the relisting of the shares. Moreover, the Hon'ble Supreme Court also in ***Ghanashyam Mishra (supra)*** as well as ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd. [Civil Appeal No. 3395 of 2020], (2022) 4 SCC 234*** has recognised that this Authority is empowered to protect the sanctity of the Resolution Plan and to ensure that all stakeholders, including Statutory Authorities, abide by it.

(d) Hence, the claim of Respondent No. 1 that this Tribunal lacks jurisdiction to direct relisting or to interfere in matters governed by SEBI or the Stock Exchanges is wholly misplaced and contrary to the legislative intent of the Code.

D. Non-appreciation of provisions of law for rejecting the claim of the Applicant

(a) Respondent No. 1 rejected the relisting application citing Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021. This Regulation says:

Listing of delisted equity shares

40. (1) No application for listing shall be made in respect of equity shares of a company, -

(a) which have been delisted under Chapter III or under Chapter VI of these regulations, for a period of three years from the delisting;

(b) which have been delisted under Chapter V of these regulations, for a period of ten years from the delisting.

(2) Notwithstanding anything contained in sub-regulation(1), an application for listing of delisted equity shares may be made in respect of a company:

(a) whose equity shares have been delisted pursuant to a resolution plan under section 31 of the Insolvency Code;

(b) whose equity shares are listed and traded on the innovators growth platform pursuant to an initial public offer and which is delisted from the said platform;

(c) whose equity shares have been delisted in terms of regulation 35 of these regulations.

(3) While considering an application for listing of equity shares of a company which had been delisted earlier, the recognised stock exchange shall give due regard to the facts and circumstances under which such equity shares were delisted.

(4) An application for listing made in respect of delisted equity shares shall be deemed to be an application for fresh listing of such equity shares and shall be subject to provisions of law relating to listing of equity shares of unlisted companies.

Provided that the Company shall make appropriate disclosures in the offer document about the reasons for seeking listing after delisting.

(b) However, Regulation 40(2)(a) r/w Regulation 40(3) expressly permits relisting where the delisting has occurred pursuant to a Resolution Plan approved under IBC. Furthermore, the impugned Delisting Order dated 19.07.2021 was passed under SEBI Delisting Regulations, 2009, wherein also similar type of provision was there.

(c) At the same time, the facts and circumstances leading to delisting were attributable to the erstwhile management, not the current management.

(d) However, Respondent No. 1 has failed to appreciate the applicability of the clean slate principle under the IBC and Regulations 40(2)(a) and 40(3) of the SEBI Delisting Regulations, 2021, resulting in mechanical rejection of the application.

E. Extinguishment of Liabilities prior to CIRP

(a) It is a settled principle that once a Resolution Plan is approved, past regulatory dues, fines, and penalties not provided for in the Resolution Plan stand extinguished.

(b) Thus, Respondent No. 1 cannot insist on payment of past dues as a precondition for relisting. Such insistence violates Section 31(1) and the overriding provisions of Section 238 of the IBC.

(c) Civil liabilities imposed on the CD before CIRP cannot be enforced against the new management. Criminal liabilities, if any, attach to the erstwhile management alone, as recognized in ***Vasan Healthcare Pvt. Ltd. v. Deputy Director of Income Tax (Investigation)*** in ***Crl.O.P.Nos.134, 137, 151, 152, 264 & 269 of 2024, (2024) ibclaw.in 80 HC*** by the Hon'ble High Court of Madras and ***Bhushan Power and Steel Limited v. Union of India*** in ***W.P(CRL) 1261/2024, 2025 SCC OnLine Del 651*** by the Hon'ble High Court of Delhi.

(d) In ***Manish Kumar v. Union of India*** in ***WP (C) No.26 of 2020, Dated 19.01.2021 (2021) ibclaw.in 16 SC***, the Hon'ble Supreme Court emphasized the importance of providing a "clean break" to the new management.

(i) In ***Ghanashyam Mishra*** (supra), the Hon'ble Supreme Court reiterated that no surprise claims should confront the Resolution Applicant post-approval of the Resolution Plan.

(ii) Therefore, the rejection of relisting by Respondent No. 1 is contrary to the clean slate principle and the objectives of the Code.

F. Overriding Nature of IBC

(a) Section 238 of the Code gives it overriding effect over all other laws and regulations in the event of inconsistency. The SEBI Delisting Regulations, 2021, including Regulation 40(1)(b), must therefore yield to the IBC in the event of any inconsistency.

(b) It is noteworthy that Regulation 40(2)(a) and 40(3) of the 2021 Regulations permit deviation from the bar on relisting in cases where relisting is being done as part of a Resolution Plan under the IBC. The regulatory framework itself contemplates such an exception, and rightly so, to ensure that the objectives of corporate revival and value maximization are not impeded by rigid application of delisting norms.

(c) Therefore, reliance by Respondent No. 1 upon Regulation 40(1)(b) to deny relisting in the present case is untenable and contrary to both the spirit of the SEBI Regulations and the express provisions of the IBC.

(iv) In view of the findings above, the application is allowed and we hold that,

(A) The CD, having been revived under the IBC process, cannot be burdened with liabilities arising from the acts or omissions of the erstwhile management.

(B) The Resolution Plan approved by this Authority on 19.04.2024 is binding on all stakeholders, including Respondent Nos. 1 to 4.

(C) The relisting of the equity shares is an integral part of the Resolution Plan and must be implemented in accordance with the terms of the Plan.

10. **Final Order:**

Therefore, we issue the following directions:

(i) The Respondents shall take all necessary steps to relist the equity shares of the CD in accordance with the Resolution Plan approved by this Authority vide Order dated 19.04.2024 in I.A. (IBC) (Plan) No. 5 of 2024.

(ii) The Respondent No.1 and Respondent No.2 shall not insist upon payment of fines, penalties, fees, or any other charges arising out of acts or omissions committed by the erstwhile management of the CD prior to the Insolvency Commencement Date.

(iii) The Respondents shall not rely upon Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021, to deny relisting, in view of Regulation 40(2)(a) read with 40(3) and the overriding effect of Section 238 of the IBC.

(iv) The relisting of the shares shall be treated as a part of fresh listing for all purposes, but without insisting on compliances attributable to the period prior to the Insolvency Commencement Date, except as expressly provided in the Resolution Plan.

(v) The entire process of relisting shall be completed by the Respondents within a period of 30 (thirty) days from the date of receipt of a copy of this order.

(vi) In case any further procedural steps are required to be complied with for listing in terms of applicable law (such as filing of documents by the new management), the Respondents shall issue appropriate communications promptly to facilitate such compliance, without imposing any additional burden relating to past defaults.

(vii) It is clarified that the Delisting Order dated 19.07.2021 and the subsequent refusal by Respondent No.1 to relist the shares stand set aside to the extent they are inconsistent with the directions contained herein.

(viii) The Monitoring Committee/Successful Resolution Applicant shall coordinate with the Respondents and take all necessary steps to facilitate the relisting in accordance with the directions issued above.

(ix) The Registry is directed to issue a certified copy of this Order to all parties concerned, including Securities Exchange Board of India (**SEBI**) and the concerned Stock Exchanges, for immediate compliance.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)