

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

ITEM No.317

IA/1016(AHM)2025

in

C.P.(IB)/231(AHM)2021

Under Section 60(5) of IB, Code 2016

IN THE MATTER OF:

Mr. Niranjana Jain Successful Bidder of M/s Nana Layja PowerApplicant
Company Limited

V/s

.....Respondent

Ramchandra Dallaram Choudhary Liquidator of M/s Nana
Layja Power Company Limited

Order delivered on: 30/06/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

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

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open

— Sd —

SANJEEV SHARMA
MEMBER (TECHNICAL)

— Sd —

SHAMMI KHAN
MEMBER (JUDICIAL)

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

I.A. No. 1016/(AHM)/2025

In

C.P.(I.B.) No.231/(AHM)/2021

(An Interlocutory Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulations 32(e) and 32A of the IBBI (Liquidation Process) Regulations, 2016)

In the matter of:

Mr. Niranjana Jain,

Successful Bidder of:

M/s. Nana Layja Power Company Limited

..... Applicant

Versus

Mr. Ramchandra Dallaram Choudhary,

Liquidator of:

M/s. Nana Layja Power Company Limited

..... Respondent

MEMO OF PARTIES

Mr. Niranjana Jain,

Successful Bidder of:

M/s. Nana Layja Power Company Limited

Having address at:

307-308, Shital Varsha Arcade,

Opp. Girish Coldrink Cross Road,

CG Road, Ahmedabad – 380009.

..... Applicant

Versus

Mr. Ramchandra Dallaram Choudhary,

Liquidator of:

M/s. Nana Layja Power Company Limited

Having office at:

9B, Vardan Complex, Nr. Vimal House,

Lakhudi Circle, Navrangpura,

Ahmedabad – 380014.

..... Respondent

Order Pronounced On: 30.06.2026

C O R A M:

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

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

A P P E A R A N C E S:

For the Applicant : Mr. Atul Sharma, Advocate

For the Respondent : Mr. Sumit Parikh, Advocate

O R D E R
(Per Bench)

1. The present application **I.A. No.1016 of 2025** has been filed on 11.09.2025 vide inward no. E-2104 by the Applicant Mr. Niranjana Jain, the successful bidder of M/s. Nana Layja Power Company Limited under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 for certain reliefs and concessions to run the company as a going concern. The Applicant has prayed this Tribunal for the list of reliefs/ concessions/

relaxations/permissions as stated in Para 14 of the present application as under:

a. All the agreements/ documents entered into by the Company with the Secured creditors shall be deemed to be terminated without any liabilities, claims or obligations whatsoever arising out of or in relation to such contracts extinguished on payment of the amount as stipulated under this sale as going concern and the Company and the Applicant or its nominee's/ successors/ partners/acquirers shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation to such agreements/ documents.

b. Secured Creditors shall upon payment of all the amount as stipulated under sale as going concern issue necessary no due certificate to enable the Company to satisfy all charges registered with the office of the Registrar of Companies and or office of sub-registrar/mamlatdar and sign such form/ document as is required by such authority in order to satisfy/ cancel the charge over the properties of the Company within stipulated time provided under the relevant provisions of law.

c. Secured Creditors shall upon payment of all the amount as stipulated under this Sale as going concern of CD shall release all the original title deeds, documents and papers held by them in respect of the Company.

d. Claimants shall upon distribution of sale proceeds by the Liquidator in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016 shall withdraw all litigations filed by the Claimant against the Company with any judicial/ quasi-judicial/ arbitration or any such other forum.

e. The claims of the Employees whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, shall stand settled and to the extent of the remaining dues, shall stand permanently extinguished and no proceedings on the basis of any such claims or dues shall be carried out or survive or continue against the Company.

f. Upon Sale as going concern of CD by NCLT the claims of the Financial Creditors, Operational Creditors, Workers, Guarantors if any and any other class of claimants including foreign liabilities or liabilities of subsidiary companies whether Indian or Foreign Companies or firms, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, shall stand permanently extinguished and no proceedings on the basis of any such claims or dues shall be carried out or survive or continue against the Company. Purchaser or its nominee's/ successors/ acquirers shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation to such Unsecured Financial Creditors.

g. That the creditors shall take all steps to regularise/ clear the CIBIL of the company from its past liabilities.

h. Upon approval of the Sale as going concern of CD by NCLT all the claims of the Operational Creditors and Statutory Creditors whether filed or not with the liquidator, whether admitted or not by the liquidator, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, shall stand settled and to the extent of the remaining dues, shall stand permanently

extinguished and no proceedings on the basis of any such claims or dues shall be carried out or survive or continue against the Company. Operational Creditors and Statutory Creditors shall not have any further right or claim against the Company, in respect of any claim or dues against the Company related to the period prior to the approval of the Sale as going concern of CD.

i. All the agreements/ understanding/ communication entered into by the Company with the Operational creditors and Statutory Creditors will be deemed to be terminated without any liabilities, claims or obligations whatsoever arising out of or in relation to such contracts extinguished on payment of the amount as stipulated under this Sale as going concern of CD and the Company and the Purchaser or its nominee's/ successors/ acquirers shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation to such agreements/ documents.

j. The constitutional documents of the Corporate Debtor including the Memorandum of Association and Article of Association shall stand revised. The amendment to the Memorandum of Association, including the revision of capital clause therein, shall be pursuant to the approval of these reliefs and shall not require any additional approval from the shareholder or otherwise. The purchaser may cause amendments to the Article of Association of the Company, upon the authorized persons who will be part of the managing and operating the affairs of the company are identified.

k. Upon extinguishment and cancellation of the entire existing share capital of the Corporate Debtor, the entire existing issued and paid-up share capital shall be reduced to Nil upon the Sale as going concern of CD being

sanctioned by NCLT, and the amount of existing paid-up share capital shall be adjusted in the Capital Reserve account of the Corporate Debtor. Such reduction of share capital of the Company shall be affected as an integral part of the Sale as going concern of CD and the orders of the NCLT sanctioning the Sale as going concern of CD shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary. The Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

l. The Department of Registration and stamps of the relevant state and Ministry of corporate Affairs shall exempt the Applicant(s) and the corporate debtor, from the levy of stamp duty and from fees applicable in relation to issue of shares including any financial arrangements pursuant to this Application.

m. Consequent to the said reduction, the existing share certificates issued by the Company shall stand cancelled and will not have any effect after the Sale as going concern of CD.

n. Without any further application, act or deed, the company shall issue and allot Equity Shares, at such value as the new Board of Directors, of the Company to Successful bidder or their nominees, as proposed by the Applicant, on the date to be fixed by the newly constituted Board of directors. It is clarified that approval of this Sale as going concern of CD by the NCLT shall be deemed to be the due compliance of the provisions of Section 42 and/or 62(1)(c) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the CD and no separate resolution or approval of the Company would be required to be passed by the

Company for the said issue and allotment of such Equity Shares.

o. The 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 approval of the Sale as going concern of CD by NCLT and such written back amount will be credited to capital reserve in the books of account following approval of the Sale as going concern of CD by NCLT and shall not be taxed as perquisite or benefits under section 28(iv) and cessation of liability under section 41(1) or any other relevant sections / rules / regulations of the Income Tax Act and shall also not be liable for MAT tax under the provisions of Income Tax Act, 1961.

p. The 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, Capital WIP etc. Any previous disallowed losses shall be restated by the new management in books of accounts if required. In light of the impairment of Capital Work-in-Progress (WIP) recognized in the financial year 2018-19, and considering that the previous management/erstwhile Board of Directors abandoned the power project and initiated insolvency proceedings under Section 10 of the IBC, 2016, it is submitted that the recoverability or value realization of such Capital WIP remains uncertain at this stage. In the event that no recovery or value creation is achieved despite the efforts of the Liquidator/new management, the Capital WIP may need to be written off, either fully or partially, based on the future determination of the new management in accordance with applicable IND AS.

q. It is further prayed that, new management decides to reverse and write off the said Capital WIP as per IND AS, such write-off shall be treated as a loss from the year of its write off under the provisions of the Income Tax Act, 1961, and be made available for set-off in future years, subject to compliance with the provisions of Income Tax Act 1961.

r. The Corporate Debtor shall, in the subsequent financial year(s), prepare its financial statements in accordance with applicable accounting standards to reflect the true and fair value of its assets. This may include writing off the book value of non-recoverable or impaired assets such as trade receivables, inventories, and Capital Work-in-Progress (CWIP), wherever deemed appropriate. Upon a detailed review and assessment by the new management, any impairment, revaluation, or adjustments, including those not previously recognized shall be duly accounted for in accordance with the applicable provisions of the Indian Accounting Standards (Ind AS).

s. It is further submitted that, should the new management, based on commercial and accounting prudence, decide to reverse or write off the Capital Work-in-Progress in accordance with Ind AS, such write-off shall be treated as a revenue loss in the year of such recognition. Consequently, the same shall be allowable as a business loss under the provisions of the Income-tax Act, 1961, and shall be available for set-off against future taxable income, subject to compliance with the applicable conditions prescribed under the said Act.

t. The Corporate Debtor shall be entitled to dispose off its assets, current or non-current, in the manner as it deems fit and losses incurred on disposal of such assets shall be claimed as loss under the provisions of the Income Tax Act, 1961.

u. The existing Board of Directors of the Company shall be deemed to have resigned and cease to be Directors on approval of the Sale as going concern of CD by NCLT and Purchaser hereby propose to appoint new directors as decided by successful bidder.

v. The existing statutory Auditors would be deemed to have resigned as Auditors of the Company and Purchaser would be entitled to appoint alternate Auditors. Company would comply with necessary filing with the office of Registrar of Companies in this regard.

w. All notices, assessments, appellate or other proceedings pending or threatened of any statutory departments pending in any department/court/tribunal under any law for the time being in force in relation to the Company, in relation to any period prior to the approval of the Sale as going concern of CD by NCLT shall stand terminated and withdrawn and all consequential liabilities, if any, shall stand extinguished and be considered as not payable by the Company on approval of this sale as going concern of CD by the NCLT and any re-assessment, revision or other proceedings would be deemed to be barred in relation to any period prior to the NCLT Approval Date, by virtue of the order of the Adjudicating Authority approving this sale as going concern of CD and the Company and new management shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

x. If any suit, writ petition, appeal, revision, claim, litigation, disputes or other proceedings of whatsoever nature against the Company by any of the existing creditors or statutory department like Income tax/GST/sales tax/PF/ESIC/labour laws or any other Law for the time being in force are filed / pending before

any Court or any authority under any Act the same shall be terminated on the effectiveness of the sale as going concern of CD and the rights, obligations and liabilities of the creditors under the sale as going concern of CD shall be governed by the terms of this sale as going concern of CD. The proceedings in the above clause means legal proceedings against the company, its new Directors, new officers or any other person which may arise directly/indirectly from non-payment of dues by the Company.

y. All liabilities (whether contingent or crystallized) in relation to any corporate guarantees, indemnities, extension and all other forms of credit support provided by the Company prior to the Upon approval of the Sale as going concern of CD by NCLT shall stand extinguished. However, it is clarified that all the liabilities, personal guarantee, corporate guarantee provided by the erstwhile promoters/directors/guarantee of the Company shall be in subsistence and financial creditors shall have the right to continue and proceed against the erstwhile promoters/directors/ guarantors which shall not include company or new management. The Powers of Attorney (POA) and/or other authorizations or mandates (including the sub-delegations of POA, if any, by the Attorneys), in whatsoever form, issued by the Company prior to the approval of the Sale as going concern of CD by NCLT to any person to enable such person to carry out various functions of the Company shall stand revoked and rescinded.

z. All consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Company or to which the company is entitled or accustomed to shall, notwithstanding any provision to contrary in their terms

and notwithstanding that they may have already lapsed or expired due to any non-compliance or efflux of time, be deemed to continue without disruption for the benefit of the Company. Upon approval of the Sale as going concern of CD by NCLT, the Liquidator of the Company shall hand over peaceful possession of all the properties and assets of the Company whether movable or immovable, so far not disposed off, alienated or transferred.

aa. Any claims, liabilities, demands, penalties, non-compliances etc. of whatsoever nature of any provisions of any law, rules, regulations, order, notification, circular, master circular, master directions, guidelines, policies, licenses, approvals, consents, permissions etc. including the Foreign Exchange Management Act, 1999 and the Companies Act, 2013 before any government, ministry, department, authority etc. including Reserve Bank of India, Registrar of Companies for the investments made in any share, security, property, asset etc. by the Corporate Debtor or its sale, transfer, write-off etc. by the Corporate Debtor for any period prior to the date of passing the order shall be deemed to be extinguished without any further deed, act or compliance required in this regard. Consequentially, such government, ministry, department, authority etc. including Reserve Bank of India, Registrar of Companies be directed to remove the name of the Corporate Debtor from the list of defaulters, non-compliant entity etc. without any further compliance of period prior to allowing of this Application.

bb. Creditors of the corporate debtor which include creditors in any form or category including statutory authorities i.e. GST or Income Tax or any other Statutory Dues shall stand extinguished qua the approval of these reliefs as sought by the Purchaser. The Statutory Authority will have authority to receive their dues in accordance with

Section 53 of the Insolvency and Bankruptcy Code, 2016 from the Liquidator.

cc. The purchaser seeks support and assistance of the Liquidator for the smooth functioning of the corporate debtor to complete the entire process of transfer for purchasing the corporate debtor as a going concern.

dd. As on the liquidation commencement date, all outstanding negotiable instruments, issued by the company or any person on behalf of the company shall be deemed to have been cancelled /shall stand terminated and no liability arise on the same.

2. The Applicant, Mr. Niranjana Jain has submitted the following **facts** as under:

2.1 The Applicant, Mr. Niranjana Jain, is the Successful Bidder of M/s. Nana Layja Power Company Limited (Corporate Debtor in liquidation). He has filed the present Interlocutory Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulations 32(e) and 32A of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016, seeking reliefs and concessions from this Tribunal.

2.2 It is stated that this Bench, vide its order dated 20.06.2022 passed in CP(IB) No.231/NCLT/AHM/ 2021 directed the

initiation of the CIRP against the corporate debtor company by appointing Mr. Prajakta Menezes as an IRP.

2.3 It is submitted that during the CIRP period, the IRP filed an application bearing I.A. No.811 of 2022 for the liquidation of the Corporate Debtor. The same was allowed by this bench vide our order dated 11.01.2023 and the applicant IRP was appointed as the Liquidator of the Corporate Debtor.

2.4 The Liquidator assumed charge and issued Sale Notice dated 06.09.2024 under the Swiss Challenge Method for sale of the Corporate Debtor as a going concern, including assignment of not readily realizable assets. The present applicant submitted its 'Expression of Interest', undertakings, declarations and affidavits, and also deposited Rs. 2,00,000/- as earnest money deposit, thereby qualifying to participate in the auction.

2.5 It is submitted that the applicant participated in the auction held on 28.09.2024 and was declared H1 Bidder with bid amount of Rs. 31,71,000/-. Sale confirmation letter was issued on 03.10.2024. Upon payment of entire

sale consideration, Sale Certificate dated 23.01.2025 was issued in favour of the Applicant.

2.6 It is submitted that, by virtue of the sale of the Corporate Debtor as a going concern in favour of the Applicant, the Applicant has lawfully acquired the Corporate Debtor under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016. The acquisition carries with it all rights, titles and entitlements of the Corporate Debtor, free and clear of any encumbrances, security interests, claims, counter-claims, or liabilities of whatsoever nature.

2.7 The Applicant submits that Regulation 32 of the IBBI (Liquidation Process) Regulations, 2016 specifically provides for the sale of the Corporate Debtor as a going concern. In the present case, the Applicant has purchased the Corporate Debtor under the said Regulation, thereby acquiring it as a going concern together with all rights, titles and entitlements, free and clear of any encumbrances, security interests, claims, counter-claims or liabilities of any nature whatsoever. In view of these facts and circumstances, the Applicant has approached this Adjudicating Authority by way of the present

application seeking certain reliefs and concessions to enable him to continue to run the Corporate Debtor effectively as a going concern.

2.8 The Applicant submitted that mere purchase of the Corporate Debtor as a going concern under the Liquidation Process Regulations is not, by itself, sufficient to ensure its effective revival. It is imperative that this Adjudicating Authority grant certain additional reliefs, concessions, relaxations and permissions, which are indispensable for the smooth operation of the Corporate Debtor as a going concern. Hence, in the absence of such directions, the very object of revival envisaged under the Code would stand frustrated, and the Corporate Debtor would not be able to achieve value maximization or sustain its operations in a viable manner.

2.9 The Applicant relied on the decision of the Hon'ble NCLAT in the matter of ***Shiv Shakti Inter Globe Exports (P.) Ltd. v. KTC Foods (P.) Ltd., [2022] 138 taxmann.com 511 (New Delhi)***, wherein it was held that once sale proceeds are distributed under Section 53 of the Code, no past unpaid or outstanding dues can be foisted upon the

purchaser of the Corporate Debtor as a going concern. The principle laid down is that the purchaser must start on a clean slate, free from past liabilities not mentioned in the sale notice.

2.10 The Applicant further relied upon the decision of Hon'ble NCLAT in the matter of ***RMY Industries LLP v. Apple Industries Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 1114 of 2022***, wherein it was observed that the Adjudicating Authority is empowered to consider applications filed by the Liquidator or Successful Auction Purchaser for reliefs, waivers and concessions arising from terms and conditions of auction sale or sale as going concern. The appeal was disposed of with liberty to file appropriate application before the Adjudicating Authority.

2.11 In a view of the aforementioned facts and circumstance, the Applicant herein has prayed to allow the application and further allow the reliefs and concessions sought by the application in Para 13 of the instant application.

3. The present Respondent-Liquidator, Mr. Ramchandra Dallaram Choudhary has filed an **affidavit-in-reply** on 29.01.2026 vide inward diary no. D-777 by stating following facts as under:

- 3.1 The Respondent, Mr. Ramchandra Dallaram Choudhary, submitted that he was appointed as the Liquidator of M/s. Nana Layja Power Company Limited vide order dated 11.01.2023 passed by this Tribunal in IA No. 811 of 2022 in CP(IB) No. 231 of 2021. He affirmed that he is fully conversant with the facts and circumstances of the case, perused the present IA and he is duly authorized to file this affidavit in reply.
- 3.2 Before addressing the merits of the reliefs sought, the Respondent placed on record the chronology of events during the Corporate Insolvency Resolution Process (CIRP) and subsequent liquidation of the Corporate Debtor, so that this Bench may appreciate the background in which the present application has been filed.
- 3.3 The Respondent reiterated the order dated 20.06.2022 in CP(IB) No. 231/NCLT/AHM/2021, directing the initiation of CIRP against the Corporate Debtor and appointment of Ms. Prajakta Menezes as Interim Resolution Professional (IRP). During CIRP, the IRP filed IA No. 811 of 2022 seeking initiation of liquidation of the Corporate Debtor, which was allowed by this Bench vide its order dated 11.01.2023, was

pleased to initiate liquidation and appointed the Respondent as the Liquidator of the Corporate Debtor Company.

3.4 As stated, in compliance with Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016, the Liquidator made a public announcement in Form B on 18.01.2023 in Jansatta (Delhi Edition) and Financial Express (Ahmedabad & Delhi Edition), inviting claims from stakeholders. On 20.08.2024, the Liquidator received an Expression of Interest (EOI) from Mr. Niranjn Jain to acquire the Corporate Debtor as a going concern under Regulation 32(e) of the Liquidation Regulations for a consideration of INR 31,51,000/-. The Applicant deposited INR 2,00,000/- as earnest money deposit (EMD), thereby demonstrating bona fide interest.

3.5 It is stated that in the 12th meeting of the Stakeholders' Consultation Committee (SCC) which was convened on 23.08.2024 to deliberate upon the EOI, the SCC approved the proposal to sell the Corporate Debtor as a going concern under Swiss Challenge Method, with 100% voting share in favour of the resolution.

- 3.6 Pursuant to SCC approval, the Liquidator published an E-auction sale notice dated 06.09.2024 in Business Standard and Jansatta, inviting bids for sale of the Corporate Debtor as a going concern. It is further stated that three prospective bidders submitted EOIs, i.e. (i) Marg Finserv, (ii) M/s Parshwa Impex, and (iii) Orissa Alloys Pvt. Ltd.
- 3.7 As stated, after verification of documents, only two bidders qualified for participation. List of qualified bidders dated 20.09.2024 was issued.
- 3.8 The E-auction was conducted on 28.09.2024. M/s Parshwa Impex submitted a bid of INR 31,51,000/-. Under Swiss Challenge mechanism, Mr. Niranjana Jain was given opportunity to match and improve the bid. He increased his bid to INR 31,71,000/-, and was declared H1 bidder.
- 3.9 Consequently, the Liquidator issued sale confirmation letter dated 03.10.2024 to Mr. Niranjana Jain, the Applicant herein.
- 3.10 It is submitted that the Applicant has paid entire sale consideration and the sale certificate dated 23.01.2025 was issued, confirming acquisition of Corporate Debtor as a

going concern with all assets having clear title and rights, free from liabilities, dues, claims, or obligations of any kind.

3.11 In compliance with Section 29A of the Code, affidavit of proposed directors/shareholders was received, tabulated as under:

Sr. No.	Name of the Proposed Director/ Shareholder	DIN / PAN	Designation (Proposed)	No. of Shares
1	Ravi Parasmal Doshi	2219600	Director / Shareholder	1
2	Bokadia Jitendra Hastimalji	2219590	Director / Shareholder	1
3	Bokadia Babulal Hastimalji	559976	Director / Shareholder	1
4	Bokadia Padmavati Babulal	AHZPB6 641E	Shareholder	1
5	Varun Jitendra Bokadia	ECMPB8 423A	Shareholder	1
6	Vivek Paras Doshi	ALUPD7 618J	Shareholder	1
7	M/s. Oswal Industries Limited	AAACO3 443L	Shareholder	9,994
Total	Total Number of shares [Each share of Rs. 10/-]			10,000

3.12 It is stated that, the Applicant had earlier filed IA No. 70 of 2025 in CP(IB) No. 231 of 2021, which was withdrawn on 20.06.2025 as it was premature before issuance of Sale

Certificate. The Applicant has now filed IA No. 1016 of 2025 seeking reliefs and concessions to enable smooth running of the Corporate Debtor as a going concern.

3.13 The Respondent/ Liquidator stated that the Respondent is a formal party and has no objection if the present application filed by the Successful Bidder is allowed by this Bench.

4. That the **Affidavit in Compliance** to order dated 05.05.2026 behalf of the Applicant – Successful Bidder of M/S Nana LAYIA Power Company Limited was received dated 17.06.2026 vide inward dairy No. D -4905. The same was taken on record.
5. We have heard the Ld. Counsel for the Applicant and the Respondent. We have perused the material available on record and also carefully seen the ongoing daily proceeding records in the matter.

6. **The observations of this Tribunal are as under: -**

6.1 The present Interlocutory Application has been filed by the Applicant, **Mr. Niranjn Jain**, the Successful Bidder of **M/s. Nana Layja Power Company Limited (in liquidation)**, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulations 32(e) and

32A of the IBBI (Liquidation Process) Regulations, 2016, seeking various reliefs, concessions and directions to facilitate implementation of the sale of the Corporate Debtor as a going concern and to enable the Applicant to effectively operate the Corporate Debtor under the new management on a clean slate basis.

6.2 The factual position emerging from the record is that the Corporate Debtor, namely **M/s. Nana Layja Power Company Limited**, was admitted into Corporate Insolvency Resolution Process by this Adjudicating Authority vide order dated **20.06.2022** passed in **CP(IB) No.231 of 2021**, whereby Ms. Prajakta Menezes was appointed as the Interim Resolution Professional. Thereafter, on failure of the CIRP, this Adjudicating Authority vide order dated **11.01.2023** directed liquidation of the Corporate Debtor and appointed **Mr. Ramchandra Dallaram Choudhary** as the Liquidator.

6.3 It is further evident from the material placed on record that during the liquidation process, the Liquidator adopted the **Swiss Challenge Method** for sale of the Corporate Debtor as a going concern under Regulation 32(e) of the

Liquidation Process Regulations. Pursuant to the Sale Notice dated **06.09.2024**, the Applicant submitted his Expression of Interest along with the prescribed Earnest Money Deposit and participated in the auction proceedings.

6.4 The record further reveals that the auction was conducted on 28.09.2024, wherein another bidder emerged with a higher offer under the Swiss Challenge process. The Applicant exercised his right to improve the bid and enhanced the offer to Rs.31,71,000/-, whereupon he was declared the Successful Bidder. A Sale Confirmation Letter dated 03.10.2024 was issued in his favour and, upon payment of the entire consideration, a Sale Certificate dated 23.01.2025 was issued confirming the sale of the Corporate Debtor as a going concern.

6.5 The Applicant has submitted that by virtue of acquisition of the Corporate Debtor as a going concern under Regulation 32(e) of the Liquidation Regulations, he has stepped into the shoes of the Corporate Debtor for the purpose of revival and continuation of its business. It has been contended that certain consequential reliefs,

concessions and directions from this Adjudicating Authority are necessary to ensure smooth implementation of the going concern sale and to enable the Corporate Debtor to commence operations under the new management free from the burden of historical liabilities and encumbrances.

- 6.6 The Applicant has further relied upon the judgments of the Hon'ble NCLAT in ***Shiv Shakti Inter Globe Exports (P.) Ltd. vs. KTC Foods (P.) Ltd. and RMY Industries LLP vs. Apple Industries Pvt. Ltd.***, to contend that after sale of the Corporate Debtor as a going concern and distribution of sale proceeds in accordance with Section 53 of the Code, the Successful Bidder is entitled to operate the Corporate Debtor on a clean slate and that this Adjudicating Authority possesses jurisdiction to consider appropriate reliefs and concessions necessary for effective implementation of the sale.
- 6.7 The Liquidator has filed a reply affidavit confirming the entire process leading to the sale of the Corporate Debtor as a going concern. The Liquidator has affirmed that the sale process was undertaken in accordance with the

provisions of the Insolvency and Bankruptcy Code, 2016 and the Liquidation Process Regulations, that the Applicant has paid the entire sale consideration, and that the Sale Certificate dated 23.01.2025 has been duly issued. The Liquidator has further submitted that he is merely a formal party to the present proceedings and has no objection if the reliefs sought by the Successful Bidder are considered by this Adjudicating Authority in accordance with law.

7. The Liquidator through the **reply affidavit** has placed on record the E-Auction Sale Notice dated 23.07.2025, E-Process Memorandum, Letter of Intent dated 02.09.2025 issued in favour of the Applicant and the Sale Certificate dated 23.01.2025 issued upon receipt of the entire sale consideration.
8. The sale certificate records that: -
 - i. Sale Certificate is issued in favour of Mr. Niranjana Jain, the Successful Bidder of the Corporate Debtor.
 - ii. Sale Certificate has been issued for sale of the Corporate Debtor, Nana Layja Power Company Limited (Under Liquidation), as a going concern on an "AS IS WHERE IS BASIS", "AS IS WHAT IS BASIS", and "WHATEVER THERE

IS BASIS” on a ‘NO RECOURSE’ basis.

9. The Applicant has purchased the Corporate Debtor as a going concern under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016. The Applicant has filed affidavit on 16.04.2026 placing on record the proposed shareholding pattern, details of the proposed management and declarations regarding eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016. The proposed shareholders are Ravi Parasmal Doshi, Bokadia Jitendra Hastimalji, Bokadia Babulal Hastimalji, Bokadia Padmavati Babulal, Varun Jitendra Bokadia, Vivek Paras Doshi holding one share each and 9994 shares will be held by M/s Oswal Industries Limited.
10. We observe that liquidator issued confirmation of sale on 03.10.2024 to Mr. Niranjana Jain and he was declared as a successful bidder in the auction held on 28.09.2024 for the particulars of assets as mentioned under Schedule A.
11. Sale Certificate is issued on 23.01.2025 (for sale of Nana Lajya Power Company Limited) on a going concern pursuant to Regulation 32 (e) of IBBI (Liquidation Process) Regulations, 2016. It was issued to Mr. Niranjana Jain, as a successful buyer, on an “as is where is, as is what is, and whatever there is” on a “no

recourse basis". The certificate notes that the sale is unconditional and subject to the terms and conditions of the Tender Document dated 06.09.2024 and sale confirmation letter dated 03.10.2024. The certificate also notes that on distribution of the sale proceeds amongst the stakeholders in accordance with Section 53 of the Code, the successful bidder shall be relieved of all unpaid liabilities incurred prior to the date of sale certificate or 31.12.2024 whichever is earlier as per the Order passed by the Hon'ble Supreme Court in the case of "Ghanshyam Mishra" (Civil Appeal No. 8129 of 2019).

12. Paragraph 6 of the Sale Certificate reads as below:

6. The Successful Buyer shall not be liable for any known or unknown, claimed or unclaimed, disclosed or undisclosed, seen or unforeseen statutory tax liabilities/ dues or any other liabilities/obligations/government dues/local authority dues/claims under any statute in force in relation to any period prior to 31.12.2024 whichever earlier, including but not limited to any past tax litigations/statutory dues such as income tax, TDS, TCS, GST, Custom Duty & Octroi Tax, Local Taxes, Entry Tax, Sales Tax, CST, VAT, Service Tax, Excise Duty, Property Tax, Cess, Penalty, DGFT dues etc. All such liabilities of the Corporate Debtor which relate to the period prior to 31.12.2024 shall be extinguished pursuant to the decision of Hon'ble Supreme Court in the case of "Ghanshyam Mishra" (Civil Appeal No. 8129 of 2019) and subject to provisions of the Code.

13. The above facts show that the sale certificate was issued to Mr. Niranjan Jain but in the list of shareholders submitted the name of Mr. Niranjan Jain does not appear and there are six individual shareholders holding one share each and 9994 shares are proposed to be allotted to one M/s Oswal Industries Limited. Neither the liquidator nor Mr. Niranjan Jain has explained how the auction purchaser got changed and what is the arrangement between Mr. Niranjan Jain and the proposed new shareholders. We are unaware of the purpose of introducing M/s Oswal Industries Limited as the majority shareholder in the

circumstances that this company was nowhere during the liquidation or sale process.

14. In the circumstances, the present order is issued considering Mr. Niranjana Jain as the auction purchaser and new owner of the corporate debtor and ignoring the proposed shareholders.
15. The principal issue for consideration before this Adjudicating Authority is whether the reliefs, concessions and directions sought by the Successful Bidder can be granted in exercise of jurisdiction under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 so as to enable effective operationalisation and revival of the Corporate Debtor as a going concern.
16. It is clarified that the jurisdiction of this Adjudicating Authority under Section 60(5)(c) of the Code is residual and facilitative in nature and does not extend to granting blanket statutory exemptions or overriding substantive provisions of other enactments except to the limited extent expressly recognised under Sections 31, 32A and 238 of the Insolvency and Bankruptcy Code, 2016 and judicial precedents extending clean slate principles to going concern sales under Regulation 32(e) of the Liquidation Regulations.

17. The legal position is now well settled that sale of a Corporate Debtor as a going concern during liquidation proceedings is a recognised mode of revival under the Insolvency and Bankruptcy Code and such sale must necessarily ensure that the Corporate Debtor is capable of continuing business operations without being burdened by past liabilities once the sale proceeds are distributed in accordance with Section 53 of the Code.
18. The present going concern sale may enable revival of the Corporate Debtor after failure of the CIRP resolution process and may result in value maximisation for stakeholders. The Liquidator has confirmed that distribution of the sale proceeds has been undertaken in accordance with Section 53 of the Insolvency and Bankruptcy Code, 2016.
19. The Hon'ble Supreme Court in **Arun Kumar Jagatramka vs. Jindal Steel & Power Ltd.** (2021 SCC OnLine SC 220) has categorically recognized sale of a Corporate Debtor as a going concern in liquidation as one of the three statutory modes of revival under the Code.
20. Further, the Hon'ble Supreme Court in **Ghanshyam Mishra & Sons Pvt. Ltd. vs. Edelweiss Asset Reconstruction Co. Ltd.** [6 2021 SCC OnLine SC 313] has laid down that once claims are

dealt with in accordance with the Code, all past claims stand extinguished, and no creditor or authority can resurrect such claims against the Corporate Debtor or the successful acquirer.

21. The Hon'ble NCLAT, in various decisions **including Shiv Shakti Inter Globe Exports Pvt. Ltd. vs. KTC Foods Pvt. Ltd.** [Company Appeal (AT) (Insolvency) No.650 of 2020] and **RMY Industries LLP vs. Apple Industries Pvt. Ltd.**, [Company Appeal (AT)(Insolvency) No.1114 of 2022] has held that: this Adjudicating Authority is empowered to grant appropriate reliefs in a going concern sale, and denial of essential reliefs would defeat the very object of value maximization and revival.
22. However, it is equally well settled that a sale of the Corporate Debtor as a going concern under Regulation 32(e) of the Liquidation Regulations is fundamentally distinct from approval of a Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016. A Resolution Plan is formulated during the CIRP stage, is subject to approval by the Committee of Creditors under Section 30(4), and upon approval by the Adjudicating Authority under Section 31, attains statutory finality and binding effect upon all stakeholders including Central and State Governments and statutory authorities. The binding nature

and “clean slate” consequences under Section 31 flow expressly from the statutory scheme of Chapter II of the Code.

- 23.** In contrast, a going concern sale under Regulation 32(e) takes place during liquidation after failure of CIRP and is governed by Chapter III of the Insolvency and Bankruptcy Code read with the Liquidation Regulations. Such sale is conducted by the Liquidator in terms of the E-Auction Process Memorandum and the sale proceeds are distributed strictly in accordance with Section 53 of the Code. While the object of such sale is revival and value maximisation, it does not carry all statutory attributes of a Resolution Plan approved under Section 31.
- 24.** This Tribunal, while exercising jurisdiction under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, cannot import the legal fiction or consequences expressly attached to a Resolution Plan into a liquidation sale except to the limited extent recognised by judicial precedents applying the clean slate principle after distribution under Section 53 of the Code.
- 25.** Therefore, though certain principles such as extinguishment of past claims upon completion of the Section 53 waterfall may apply to a going concern sale, the sale cannot be deemed to be a Resolution Plan, nor can it result in automatic statutory

overrides, blanket immunities, or exemptions beyond what is expressly contemplated under the Code, including Section 32A and Section 238. The scope of relief in liquidation remains facilitative and not plenary.

26. It is equally settled law that: this Tribunal cannot grant blanket or omnibus waivers under statutes such as the Income Tax Act, GST laws, FEMA, environmental laws etc., where statutory authorities are required to examine issues independently, reliefs can only be granted to the extent they flow from the IBC, Liquidation Regulations and binding judicial precedents, and statutory compliances prospectively cannot be waived.
27. This Tribunal does not exercise plenary jurisdiction over statutory authorities under special enactments, except to the limited extent recognized by the Insolvency and Bankruptcy Code and binding judicial precedents.
28. We have carefully considered the provisions of section 32A of the IBC, 2016 and the judgments of the Hon'ble Supreme Court in the cases of ***Ghanshyam Mishra & Sons (P) Ltd. V. Edelweiss Asset Reconstruction Co. Ltd.***, (2021) 9SCC 657 and ***Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta***, (2020) 8SCC 531; and ***Embassy Property***

Development Private Limited Vs. State of Karnataka & Ors.

Civil Appeal No. 9170 of 2019.

29. The Applicant Mr. Niranjana Jain/ Corporate Debtor, as the case may be, will be entitled to file appropriate application before various statutory authorities, regulatory authorities, government department, statutory bodies seeking various relief and concessions having acquired the assets of the liquidation estate as a going concern. These Departments, who have not been noticed, have their own Acts, Rules and Regulations which may require certain procedural compliances and such procedural compliances are required to be considered by the competent authority under the relevant statute. NCLT is the adjudicating authority in respect of the IBC, 2016. The Applicant is entitled to utilize the asset as a going concern seeking necessary relief and concessions that are sector specific to be dealt by the department/authority concerned to keep the going asset as going concern. All authorities may keep in mind that unrealistic demands, process, liability claim, that will defeat the object of the Code should be avoided and refrain from raising such claims, demands, liability etc. which got extinguished after distribution of the liquidation estate under section 53 of the IBC, 2016. The

department/authorities should deal with such relief and concessions, taking into consideration the clean slate principle enshrined in the IBC, 2016.

- 30.** The Applicant or the Corporate Debtor, as the case may be, shall be entitled to all such reliefs and concession/ waivers that are available/ permissible to it under section 32A of the IBC and as per other applicable provisions of the IBC, 2016. The Applicant shall comply with all applicable provisions of the Insolvency and Bankruptcy Code, 2016, the IBBI (Liquidation Process) Regulations, 2016 and other applicable laws while implementing the going concern sale.
- 31.** On a careful examination of the reliefs sought this Tribunal finds that: reliefs relating to extinguishment of past claims, liabilities, proceedings and encumbrances after distribution under Section 53 of the Insolvency and Bankruptcy Code, 2016 are legally permissible as noted in the sale certificate; reliefs relating to change in shareholding from previous shareholders to Mr. Niranjn Jain cancellation of existing share capital and issuance/allotment of fresh shares to Mr. Niranjn Jain are incidental and necessary to effectuate the going concern sale and operational continuity of the Corporate Debtor; and reliefs

relating to continuation of licenses, statutory registrations and operational permissions deserve consideration in accordance with law keeping in view the objectives of the Insolvency and Bankruptcy Code, 2016. However, prayers seeking blanket tax exemptions, treatment of extinguishment of liabilities, automatic waiver of statutory liabilities, deemed compounding of offences or unrestricted immunity under all laws cannot be granted in sweeping terms and the Applicant shall be required to approach the competent statutory authorities in accordance with applicable law. Further, non-grant of any particular relief or concession sought in the present Application shall not invalidate the sale of the Corporate Debtor as a going concern already concluded in favour of the Applicant. The sale certificate notes that the sale is unconditional and reliefs as applicable are already noted in the sale certificate.

32. Therefore, the reliefs sought deserve to be **partly allowed** with suitable clarifications and limitations so as to balance the objectives of the Insolvency and Bankruptcy Code with statutory discipline and regulatory compliance.

33. In view of the aforesaid facts, circumstances and legal position, the present Interlocutory Application is partly allowed in the following terms: -

A. GOING CONCERN SALE:

- i. The sale of the Corporate Debtor, M/s. Nana Layja Power Company Limited (Under Liquidation), as a going concern in favour of the Applicant, Mr. Niranjana Jain, pursuant to the Swiss Challenge Process/E-auction conducted on 28.09.2024, for a total consideration of ₹31,71,000/- (Rupees Thirty-One Lakh Seventy-One Thousand Only), culminating in the issuance of the Sale Certificate dated 23.01.2025, stands confirmed.

B. EXTINGUISHMENT OF PAST CLAIMS:

- i. Upon distribution of sale proceeds by the Liquidator in accordance with Section 53 of the IBC: -
 - a) All claims, demands, liabilities and dues of Financial Creditors, Operational Creditors, employees, workmen, statutory authorities, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed, and other stakeholders relating to the period prior to 23.01.2025 and dealt with under Section 53 of the Code and remaining unpaid shall stand **extinguished.**
 - b) No person or authority shall initiate or continue any

proceedings in respect of such extinguished claims against the Corporate Debtor.

- c) Any claim which has not been filed or admitted during CIRP or liquidation proceedings, or which has not been dealt with under Section 53 of the Code, shall stand permanently extinguished and shall not be capable of revival in any forum in view of the principles laid down by the Hon'ble Supreme Court in *Ghanshyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.*.
 - d) The Applicant shall at no point in time, directly or indirectly, have any obligation, liability or duty in relation to such creditors.
 - e) All outstanding negotiable instruments issued by the company or any person on behalf of the company shall be deemed to have been cancelled subsequent to issuance of the Sale Certificate.
- ii. This order shall **not affect** the rights of creditors to proceed against **personal guarantors** or third parties other than the Corporate Debtor.

C. IMMUNITY UNDER SECTION 32A:

- i. The Corporate Debtor and new management shall be entitled to protection under Section 32A of the Code **only in respect of offences committed prior to the liquidation commencement date**, subject strictly to the conditions under Section 32A (1) and (2), and
- ii. Such immunity shall not extend to civil liabilities,

contractual obligations, or regulatory actions not covered within the scope of Section 32A.

D. SHARE CAPITAL AND MANAGEMENT:

- i. The existing share capital of the Corporate Debtor shall stand cancelled/extinguished as an integral part of the going concern sale in exercise of powers under Section 60(5) read with Section 238 of the Insolvency and Bankruptcy Code, 2016 and shall be given effect to by the Registrar of Companies without requiring a separate petition under Section 66 of the Companies Act, 2013, subject to filing of necessary forms and compliances.
- ii. The Corporate Debtor shall not be required to add the words “and reduced” as suffix to its name consequent upon such reduction.

E. STATUTORY AUTHORITIES AND TAX RELIEFS:

- i. Reliefs relating to tax exemptions, carry forward of losses, GST input tax credit, waiver of penalties, compounding of offences, or any statutory benefits shall be subject to examination and approval by the respective statutory authorities in accordance with applicable law.
- ii. Nothing in this order shall be construed as granting blanket exemption or waiver under the Income Tax Act, 1961, GST laws, FEMA, environmental laws or any other special statute.
- iii. However, no tax demand shall be enforceable in respect of

claims arising prior to 23.01.2025 which stand extinguished under Section 53 read with Section 238 of the Code.

F. LICENSES, REGISTRATIONS & APPROVALS:

- i. All licenses, registrations, permissions, consents and approvals which are subsisting, valid and transferable as on the date of issuance of Sale Certificate dated 23.01.2025 shall continue in favour of the Corporate Debtor subject to compliance with applicable statutory provisions and governing conditions.
- ii. Where any statute, rule or regulatory framework requires prior approval, intimation or fresh authorization upon change in management or control, the Applicant shall make appropriate applications before the concerned authority. Such authority shall consider the same in accordance with law keeping in view that the Corporate Debtor has been transferred as a going concern pursuant to proceedings under the Insolvency and Bankruptcy Code, 2016.
- iii. This order shall not be construed as granting automatic renewal, revival or transfer of any license or approval which has expired, lapsed by efflux of time, been cancelled or is expressly non-transferable under applicable law.

G. LEGAL PROCEEDINGS & STATUTORY ACTIONS:

- i. All proceedings, suits, appeals, recovery actions or enforcement proceedings against the Corporate Debtor in relation to claims arising prior to the date of transfer, which stand extinguished upon distribution under Section

53 of the Code, shall be rendered infructuous and non-maintainable.

- ii. All notices, assessments, appellate or other proceedings pending by any statutory authorities/department/court/tribunal under any law covered by section 32A of the IBC, 2016, in relation to period prior to the issue of sale certificate stand terminated and all consequential liabilities, if any, stand extinguished.

H. Credit Records & Classification:

- i. The Financial Creditors and concerned authorities shall take necessary steps to remove, regularise or update any “Red Flagging”, “Fraud”, “Default”, “NPA” or similar adverse classification of the Corporate Debtor from the records of CIBIL and other credit information agencies to the extent such classifications pertain to liabilities and defaults arising prior to the going concern sale and extinguished under Section 53 of the Insolvency and Bankruptcy Code, 2016.

I. RESIGNATION OF EXISTING AUDITORS

- i. The existing statutory auditors of the Corporate Debtor, if any, shall be deemed to have ceased to hold office consequent upon the going concern sale.
- ii. Necessary filings in this regard shall be made with the Registrar of Companies within the prescribed timelines.

J. ENCUMBRANCES, CHARGES AND RELEASE OF DOCUMENTS

- i. All encumbrances, charges and security interests over the assets/properties of the Corporate Debtor shall stand satisfied and released upon distribution under Section 53 of the Insolvency and Bankruptcy Code, 2016.
- ii. The secured creditors shall issue necessary no due certificates and execute/sign all documents, forms and writings as may be required before the office of Registrar of Companies, Sub-Registrar, Mamlatdar or any other competent authority for satisfaction/release of charges and cancellation of encumbrances created over the properties/assets of the Corporate Debtor.

K. MISCELLANEOUS:

- i. The Applicant shall not be held liable for any non-compliances, defaults or violations of law committed by the Corporate Debtor prior to the date of transfer except to the extent expressly provided under the Insolvency and Bankruptcy Code, 2016.
- ii. All agreements entered into by the Corporate Debtor with past promoters/directors which are inconsistent with implementation of the going concern sale shall stand terminated.
- iii. The Liquidator shall extend all necessary cooperation for smooth handover of records, assets and control of the

Corporate Debtor.

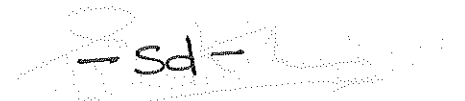
- iv. We note that the sale of the Corporate Debtor as a going concern was unconditional. All other reliefs sought, which are inconsistent with statutory provisions or seek blanket exemptions and are not specifically dealt with in this order, are not granted and rejected.
- v. The Liquidator shall hand over all books of account, statutory records, electronic data and other documents relating to the Corporate Debtor to the Applicant within fifteen days.

34. Accordingly, **IA/1016(AHM)2025** in CP(IB) No. 231 of 2021 **partly allowed** and **disposed of** as per the reliefs and concessions granted above.

35. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities. No order as to costs.


-Sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)
AT


-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)