SINGLE BENCH
COURT - II

Pr-3

NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA

C.P. (IB)/1074(KB)2019
IA(I.B.C)/798(KB)2026

CORAM: 1. HON'BLE MEMBER(J), SHRI LABH SINGH

ORDER SHEET OF THE HEARING ON 16th JULY 2026

IN THE MATTER OF	**ICICI Bank Limited** **VS** **Hindusthan Small Tools Private Limited**
UNDER SECTION	**IBC under Sec 7**

Counsel appeared through physically or virtually

O R D E R

This matter has been listed today for pronouncement of Order. However, the matter pertains to a Division Bench of this Tribunal, and the Hon'ble Member (Technical) is on leave. Therefore, the matter will be listed for pronouncement of order by the Division Bench, subject to the availability of Hon'ble Member (Technical).

Labh Singh
Member(Judicial)

SK/SS

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH, (COURT NO.-II)
KOLKATA

I.A.(I.B.C)798(KB)2026
In
C.P.(I.B)1074(KB)2019

Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 and Regulation 33(2) of the Insolvency and Bankruptcy Board of India (liquidation Process) Regulations 2016;

IN THE MATTER OF

ICICI Bank Limited, having its regional office at ICICI Bank House, 3A, Gurusaday Road, Kolkata- 700019;

...Financial Creditor

Versus

Hindusthan Small Tools Private Limited having its Registered Office at 30, Chowringhee Road, Kolkata- 700016;

...Corporate Debtor

And

Anup Kumar Singh, Liquidator of Hindusthan Small Tools Private Limited, having his office at 22/28A, Manoharpukur Road, Deshapriya Park, Kolkata - 700029.

...Applicant

Date of Pronouncement: 17.07.2026

CORAM:
Shri. Labh Singh, Hon'ble Member (Judicial)
Ms. Rekha Kantilal Shah, Hon'ble Member (Technical)

Counsel appeared through physically or virtually

Mr. Aman Agarwal, Adv.] For Liquidator

O R D E R

(Heard Through Hybrid Mode)

LABH SINGH, MEMBER (JUDICIAL)

1. This Application has been filed by Mr. Anup Kumar Singh, Liquidator of Hindustan Small Tools Private Limited, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (Hereinafter referred as "IBC" or "the Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016 and Regulation 33(2) of the Insolvency and Bankruptcy Board of India (liquidation Process) Regulations 2016, seeking following reliefs:

a) An order allowing the Liquidator/Applicant herein to sell the assets of the Corporate Debtor as a going concern under private sale mechanism to M/s. Annuka Realtors LLP or any other highest bidder in order to achieve value maximization for the benefit and in the interest of all stakeholders;

b) Such further and/or other order or orders as this Court may deem fit and proper.

2. Briefly stated the facts of the applicant case is that in and around 2019, an application under Section 7 of the Insolvency & Bankruptcy Code, 2016 was filed before this Tribunal by ICICI Bank Limited against Hindustan Small Tools Private Limited (Hereinafter referred as "Corporate Debtor") claiming an outstanding debt and default of a sum of Rs. 28,81,26,056/. This Tribunal, vide order dated 14th January 2022, admitted the application and directed the commencement of the Corporate Insolvency Resolution Process (Hereinafter referred as "CIRP") in respect of the Corporate Debtor, appointing Mr. Kuldeep Verma as the Interim Resolution Professional, who was subsequently confirmed as the Resolution Professional.

3. Since no resolution plan could be finalized at the end of the CIRP period, the Resolution Professional filed an application under Section 33 of the Code being I.A.(I.B)688/2022 seeking the commencement of liquidation proceedings. This Tribunal, vide order dated 19th December 2022, directed the commencement of liquidation proceedings against the Corporate Debtor and appointed the said Resolution Professional as the Liquidator.

4. Upon commencement of the liquidation process, the erstwhile Liquidator published a public notice in Form 'B' in terms Regulation 12 of the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 in The Financial

Express (All India English Edition) and Sukhabar (Bengali Daily) on 21.12.2022, inviting claims from stakeholders. Till the last date for submission of claims, only ICICI Bank Ltd. submitted its claim relinquishing security interest in favour of the liquidation estate. The Religare Finvest Limited and the Assistant Commissioner CGST & CX were included in the constitution of the Stakeholders Consultation Committee (Hereinafter referred as "SCC") on 15.02.2023.

5. The Corporate Debtor had the following assets for the e-auction apart from certain loans & advances:

SI. No.	Particulars of Assets
1.	Block A & B (Ground Floor and First Floor) at holding no. 1458 Garia Main Road, Ward no-29, Dist- South 24 Parganas [Super built-up Area: 24,649 square feet as per Deed of Simple mortgage (without possession) dated 7.07.2015 executed by Corporate Debtor with Religare Finvest Limited]
2.	Block D (1st Floor to 4th Floor) [Built up Area: 17,755 square feet as per Mortgage deed(without possession) dated 27.05.2015 executed by Corporate Debtor with ICICI Bank Limited]
3.	Flat at Premises no-2102, 3rd Floor, RS Khatiyan No- 119 &121, RS Dag No-92, KMC,, Nayabad, Ward No-109, South 24 Parganas admeasuring more or less 625 square feet of super built-up area

6. The erstwhile Liquidator proceeded for the realization of sale proceeds of the Corporate Debtor as a going concern through e-auction, with the first sale notice published on 02.02.2023 at a reserve price of Rs. 37,78,27,185/-; however, the auction failed as no Expression of Interest (Hereinafter referred as "EOI") was received.

7. Subsequently, the erstwhile Liquidator published several sale notices at reduced reserve prices, as follows:

Sale issue notice No.	Date	Reserve price (Rs. In Crore)	Method of sale
2.	24.02.2023	37.78	Assets in 3 lots
3.	05.04.2023	34	Assets in 3 lots
4.	18.05.2023	32.30	Assets in 3 lots
5.	01:07.2023	30.70	Assets in 3 lots
6.	18.08.2023	30.70	Assets in 7 lots
7.	04.10.2023	27.63	Assets in 7 lots
8.	20.11.2023	24.86	Assets in 7 lots

8. The original one year liquidation period expired on 18.12.2023, and vide order dated 20.03.2024, this Tribunal allowed an extension of six months with effect from 19.12.2023 to 18.06.2024 on I.A.(I.B)2037/2023. Further sale notices were issued throughout the extended period, as detailed in the table below:

Sale issue notice No.	Date	Reserve price (Rs. In Crore)	Method of sale

9.	27.12.2023	22.37	Assets in 7 lots
10.	01.02.2024	20.14	Assets in 7 lots
11.	06.03.2024	18.13	Assets in 7 lots
12.	12.06.2024	16.32	Assets in 7 lots

but no successful EOIs were received, leading to the failure of the scheduled e-auctions.

9. A further extension of six months was granted by this Tribunal on 20.06.2024 in I.A.(I.B)1175/2024, extending the liquidation period from 18.06.2024. Following this, additional sale notices were published on the dates detailed in the table below:

Sale issue notice No.	Date	Reserve price (Rs. In Crore)	Method of sale
13.	22.07.2024	14.70	Sale as a going concern / Assets in 7 lots
14.	30.08.2024	13.23	Sale as a going concern / or Assets in 7 lots
15.	15.10.2024	11.91	Sale as a going concern / or Assets in 7 lots
16.	18.11.2024	10.64	Sale as a going concern / or Assets in 7 lots

10. With respect to the sale notice dated 15.10.2024, two EOIs and one Earnest Money Deposit (Hereinafter referred as "EMD") were received; and on 13.11.2024, a flat owned by the Corporate Debtor situated at Premises no. 2102, 3rd Floor, RS Khatiyan No. 119 & 12, Nayabad, Ward no. - 109, South 24 Parganas was successfully e-auctioned to one, Eco Globe E-Waste Recyclers for a consideration of Rs. 8,58,600/-. A Letter of Intent was issued on 16.11.2024, and sale certificate for the said flat was issued on 17.02.2025 (Annexure F at pages 46-55). The liquidation period was again extended by six months from 18.12.2024 vide order dated 17.12.2024 in I.A.(I.B)2423/2024.

11. The table below outlines the sale notices issued during the extended period specifically dated 27.12.2024, 14.02.2025, and 05.04.2025 for which no EMD was received:

Sale issue notice No.	Date	Reserve price (Rs. In Crore)	Method of sale
17.	27.12.2024	7.98	Sale of CD as a going concern/or Assets in 6 lots
18.	14.02.2025	7.18	Sale of CD as a going concern/or Assets in 6 lots

19.	05.04.2025	6.46	Sale of CD as a going concern/or Assets in 6 lots

12. In the 12th SCC meeting held on 21.04.2025, it was proposed to replace the Erstwhile Liquidator with the present Applicant, on account of the former's personal reasons. By an order dated 08.07.2025 in I.A.(I.B)942/2025, this Tribunal appointed the Applicant as the present Liquidator. The liquidation period expired on 18.06.2025, and the present Liquidator filed application for a further extension of six months from 18.06.2025 to 18.12.2025, which was allowed vide order dated 14.01.2026.

13. The present Liquidator published subsequent e-auction sale notices at a significantly reduced reserve price of INR 5,85,00,000/-, as detailed in the table below. However, the scheduled e-auctions failed due to no EoI being received within the cut-off date:

Sale issue notice No.	Date	Reserve price (Rs. In Crore)	Method of sale
20.	02.09.2025	5.85	Sale of CD as a going concern/or Assets in 6 lots
21.	26.09.2025	5.85	Sale of CD as a going concern/or Assets in 6 lots

14. On 13.10.2025, M/s. HHP Hospital Pvt. Ltd. placed a bid for the acquisition of the Corporate Debtor but was subsequently classified as an "Ineligible Person" under Section 29A(b) and (j) of the Code following due diligence, resulting in the forfeiture of their INR 6 lakhs EMD.

15. On 14.10.2025, the IBBI introduced the IBBI (Liquidation Process) (Second Amendment) Regulations, 2025, which omitted the provision for sale as a going concern under Regulation 32A, though this amendment was applicable prospectively to cases where liquidation by sale as a going concern had not commenced. In the 18th SCC meeting held on 05.11.2025, discussions were held regarding another e-auction at the reserve price of INR 5,85,00,000/-; however, on 16.02.2026, the present Liquidator received an email from M/s. Annuka Realtors LLP, submitting an EOI to acquire the Corporate Debtor as a going concern under a private sale mechanism at a bid price of INR 6 Crores. The interested bidder deposited a sum of Rs. 50 Lakhs as a refundable security deposit on 18.04.2026. In the 19th SCC meeting held on 23.02.2026, the members suggested the applicant to approach this Tribunal for directions to execute the realization of the liquidation estate via private sale, considering the declining reserve price and previous failed auction attempts.

16. It is submitted that while the IBBI (Liquidation Process) (Second Amendment) Regulations, 2025, introduced via notification dated 14.10.2025, omitted Regulation 32A regarding the sale of a corporate debtor as a going concern, the said amendment was made applicable prospectively, specifically to cases where liquidation by sale as a going concern has not yet commenced. In the instant case, attempts at sale as a going concern commenced as far back as 2nd February 2023, as evidenced by the sale notices issued by both the erstwhile RP and the present Liquidator. Consequently, it is submitted that the amendment dated 14.10.2025 is inapplicable to the present proceedings, as the process for sale as a going concern was already underway well before the notification was issued.
17. It is submitted that the reserve price for the sale of the assets of the Corporate Debtor has significantly declined on account of continued failed auctions over a period of three years, falling from INR 37.78 Crores at the first sale notice to the current level of INR 5.85 Crores.
18. It is submitted that any further publication of a sale notice for a subsequent e-auction would likely fetch a realisable value considerably lower than the reserve price fixed in earlier notices. Such a result would be contrary and detrimental to the beneficial interest of all concerned

stakeholders. Therefore, the present application deserves to be allowed.

19. Heard learned Counsels for the parties. We have perused the record of the present case. We have duly appreciated the law applicable on the facts and circumstances of the present application.

20. It is observed that despite extensive efforts, only one asset being a flat situated at Premises no. 2102, 3rd Floor, RS Khatiyan No. 119 & 12, Nayabad, Ward no. - 109, South 24 Parganas could be successfully sold for Rs. 8,58,600/- to Eco Globe E-Waste Recyclers.

21. We observe that the reserve price for the assets has seen a significant and continuous decline, plummeting from INR 37.78 Crores in the first sale notice to INR 5.85 Crores by September 2025. Such a sharp depreciation in value over a three-year period is contrary and detrimental to the beneficial interest of all concerned stakeholders.

22. The SCC, in its 19th meeting held on 23rd February 2026, deliberated upon this proposal and resolved to seek directions from this Tribunal to allow the sale under a private sale mechanism. The relevant extracts of the SCC meeting minutes are reproduced herein below:

> *"RESOLVED THAT pursuant to provisions of Regulation 33 of the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Including*

all the amendments and modifications for the time being in force) approval of Stakeholders' Consultation Committee be & is hereby accorded to sell the assets of the Corporate Debtor in terms of Regulation 33(2)(b) of IBBI (Liquidation Process) Regulations, 2016 in consultation with the members of the Stakeholders Consultation Committee subject to the prior approval of the Adjudicating Authority considering the beneficial interest of all the stakeholders concerned in order to optimize the objective of the Liquidation Process of the Corporate Debtor.

"FURTHER RESOLVED THAT the Stakeholders' Consultation Committee be & is hereby authorises the Liquidator to file an Interlocutory Application with the Hon'ble NCT seeking appropriate directions in this regard. Further the cost incidental expenses related to the filing and hearings of the said application shall form part of the Liquidation Cost of the Corporate Debtor.

"FURTHER RESOLVED THAT the Stakeholders' Consultation Committee be & is hereby authorizes the Liquidator to take appropriate actions to give effect to the above resolution."

23. The primary legal issue for consideration is the impact of the IBBI (Liquidation Process) (Second Amendment) Regulations, 2025, which omitted Regulation 32A (sale as a going concern) effective from 14th October 2025. The said notification is set out herein as below (Annexure J at pages 72):

> *"F. No. IBBI/2025-26/GN/REG129.-In exercise of the powers conferred by clause (t) of sub-section (1) of Section 196 read with Section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -*
>
> *1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025.*
>
> *(2) They shall come into force on the date of their publication in the Official Gazette and shall apply prospectively, i.e. to cases where liquidation by sale as going concern has not commenced.*
>
> *2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as 'the principal*

regulations'), in regulation 31A, in sub-regulation (1), clause (f) shall be omitted.

3. In the principal regulations, in regulation 32,

(i) in clause (c), after the mark",", the word "or" shall be inserted.

(i) in clause (d), for the mark"," the mark":" shall be substituted.

(iii) clauses (e) and (f) shall be omitted.

(iv) in the proviso, for the letter and symbol "(1)", the letter and symbol "(d)", shall be substituted.

4. In the principal regulations, regulation 32A shall be omitted."

24. This Tribunal observes that the said amendment is applicable prospectively, specifically to cases where "liquidation by sale as a going concern has not commenced". In the instant case, the process for sale as a going concern was initiated by the erstwhile Liquidator as early as 2nd February 2023, as evidenced by the first sale notice issued under Regulation 32A and Schedule I (Annexure B at page 36). A sale is deemed to have commenced if a formal auction notice was issued prior to the amendment. Since the attempts to sell the Corporate Debtor as a going concern began well before the notification dated 14th October 2025, we find

that the omission of Regulation 32A is inapplicable to the present proceedings.

25. This Tribunal finds that Regulation 33(2) of the IBBI (Liquidation Process) Regulations, 2016 empowers a liquidator to sell assets through private sale if the asset is sold at a price higher than the reserve price of a failed auction. Furthermore, the objective of the Code is value maximization and the preservation of the Corporate Debtor as a functional entity, as emphasized in Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors. [(2019) ibclaw.in 03 SC], The relevant extracts of the said judgment are reproduced hereunder:

> *"11. As is discernible, the Preamble gives an insight into what is sought to be achieved by the Code. The Code is first and foremost, a Code for reorganization and insolvency resolution of corporate debtors. Unless such reorganization is effected in a time-bound manner, the value of the assets of such persons will deplete. <u>Therefore, maximization of value of the assets of such persons so that they are efficiently run as going concerns is another very important objective of the Code.</u> This, in turn, will promote entrepreneurship as the persons in management of the corporate debtor are removed and replaced by entrepreneurs. When,*

therefore, a resolution plan takes off and the corporate debtor is brought back into the economic mainstream, it is able to repay its debts, which, in turn, enhances the viability of credit in the hands of banks and financial institutions. Above all, ultimately, the interests of all stakeholders are looked after as the corporate debtor itself becomes a beneficiary of the resolution scheme – workers are paid, the creditors in the long run will be repaid in full, and shareholders/investors are able to maximize their investment. Timely resolution of a corporate debtor who is in the red, by an effective legal framework, would go a long way to support the development of credit markets. Since more investment can be made with funds that have come back into the economy, business then eases up, which leads, overall, to higher economic growth and development of the Indian economy. What is interesting to note is that the Preamble does not, in any manner, refer to liquidation, which is only availed of as a last resort if there is either no resolution plan or the resolution plans submitted are not up to the mark. Even in liquidation, the liquidator can sell the business of the corporate debtor as a going concern. [See

ArcelorMittal (supra) at paragraph 83, footnote 3].”

26. We have further considered the relevance of the findings of this Tribunal in I.A.(I.B)217/KB/2026 of C.P.(I.B)991/KB/2019, but find them to be inapplicable to the present facts. In that instance, this Tribunal observed that although a sale as a going concern had commenced before the 14th October 2025 notification, it could not attain finality because the highest bidder failed to pay the balance consideration and the Letter of Intent stood cancelled. As any further sale would have to be “conducted afresh” after the facilitating regulations were omitted, it was deemed legally impermissible. In contrast, the records here show continuous attempts to sell the company as a going concern through multiple sale notices since February 2nd, 2023. None of these bids ever progressed far enough to result in even a cancelled Letter of Intent. Because this ongoing process began well before the amendment date and was never terminated due to a default, the restriction on fresh sales does not apply.

27. In light of the above findings, this Tribunal directs as follows:

   a) The Liquidator is hereby permitted to sell the assets of the Corporate Debtor as a going concern under the private sale mechanism to M/s. Annuka Realtors LLP or any other highest bidder, in accordance with Regulation 33(2)(c) of the IBBI (Liquidation Process) Regulations, 2016, at a price not less than INR 6 Crores.

b) The Liquidator is directed to strictly verify and confirm the eligibility of the proposed buyer under Section 29A of the Code before finalizing the sale.

c) The distribution of the sale proceeds shall be governed by Section 53 of the Code, and the sale shall be subject to applicable provisions of the Code.

d) The cancellation of existing share capital and the reconstitution of the Board of Directors shall be linked to the terms of the approved sale and remains subject to compliance with the Companies Act, 2013 and other applicable regulatory requirements.

e) The Registrar of Companies is directed to consider the necessary filings made by the Liquidator or Successful Bidder and take appropriate steps in accordance with law regarding the status of the Corporate Debtor.

f) The successful bidder may apply for the continuation, transfer, renewal, or endorsement of all operational licenses, permits, and registrations before the competent authorities, which shall consider such applications in accordance with law to facilitate the preservation of the business as a going concern.

g) The Liquidator shall file a final compliance report before this Tribunal within 15 days of the conclusion of the sale process.

28. In terms of the above, this I.A.(I.B.C)798(KB)2026 in C.P.(I.B)1074(KB)2019 is hereby disposed of accordingly.

29. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.

30. Certified copy of the order may be issued, if applied for, upon compliance of all requisite formalities.

Rekha Kantilal Shah
Member (Technical)

Labh Singh
Member (Judicial)

SRIDHAR.R(LRA)