

NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 33

IA (I.B.C)/1837 (MB) 2026 in C.P. (IB)/383(MB)2022

CORAM:

SH. PRABHAT KUMAR SH. SUSHIL MAHADEORAO KOCHHEY
HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON 22.07.2026

**NAME OF THE PARTIES: IA(I.B.C)/1837(MB)2026 - Best It World
India Private Limited VS CREATIVE
NEWTECH LIMITED IN THE MATTER
OF AXIS BANK LIMITED V/s BEST IT
WORLD (INDIA) PRIVATE LIMITED**

**Section 60(5) & 7 of the Insolvency and Bankruptcy Code, 2016 & Rule
11**

ORDER

IA(I.B.C)/1837(MB)2026 in C.P. (IB)/383(MB)2022

- 1) Mr. Amir Arsiwala, Ld. Counsel for the Applicant, Mr. Rohan Agarwal, Ld. Counsel for the Respondent No. 1 and Ms. Mily Ghoshal, Ld. Counsel for the Resolution Professional are present.**
- 2) The present Interlocutory Application is filed by the Applicant/Best IT World India Private Limited, post approval of Resolution Plan, seeking appropriate directions against Respondents in relation to its continuing obligations arising out of its prior commercial association with the Applicant and the binding Memorandum of Understanding dated 17.10.2025.**

3) The facts leading to the case in hands are as follows:

- i.** It is stated that the Applicant is the owner and proprietor of “iBall” Brand. The Respondent had, prior to commencement of Corporate Insolvency Resolution Process (CIRP), acted as a distribution and Sales Partner for iBall branded products across India. By virtue of such arrangement, the Respondent imported, marketed, distributed, and sold large volumes of iBall products through its network of distributors, dealers, and retailers.
- ii.** CIRP against the Corporate Debtor initiated vide Order dt. 22.05.2024, thereafter, the Resolution Plan submitted by Zebronics India Private Limited was approved by this Tribunal *vide* order dt. 17.06.2025. Upon approval and implementation of the Resolution Plan, the management and control of the Applicant, including all rights in the iBall brand, vested with Zebronics India Private Limited.
- iii.** It is further submitted that post approval of the Resolution Plan, substantial volumes of iBall branded products sold by the Respondent remained in the market, carrying ongoing warranty and after-sales service obligations. Despite having commercially benefited from such sales, the Respondent

failed to discharge its corresponding obligations, resulting in customer complaints being redirected to the Applicant and causing significant reputational and operational harm.

- iv. Applicant issued a Legal Notice dated 25.09.2025 calling upon the Respondent to cease unauthorized use of the iBall brand, provide complete disclosures, and indemnify the Applicant. Pursuant thereto, the parties entered into a Memorandum of Understanding dated 17.10.2025, whereby the Respondent undertook to provide complete sales data, disclose stock and agreements, coordinate transition of service obligations, and indemnify the Applicant against liabilities arising from its past conduct. Subsequently, the parties engaged in detailed negotiations and a comprehensive Proposed Settlement Agreement was formulated. However, during the course of negotiations, the Applicant discovered that the Respondent had significantly understated the volume of products sold and the extent of liabilities in the market. Independent market enquiries indicated that the actual after-sales service exposure could be nearly four times the proposed settlement consideration, rendering the one-time settlement commercially unviable.

- v. The Applicant therefore proposed an indemnification-based mechanism to ensure that liabilities arising from the Respondent's past distribution activities are borne by the Respondent itself. However, the Respondent, vide email dated February 20, 2026, raised untenable objections and refused to proceed with the Settlement Agreement.
 - vi. Further, the Respondent failed to comply with its obligations under the MOU, including providing complete disclosures, furnishing No Objection Certificates (NOCs) from distributors, and addressing after-sales service obligations. The Applicant issued further communications dated March 10, 2026 and March 19, 2026, granting final opportunities to resolve the matter, which were also disregarded by the Respondent.
- 4) Ld. Counsel for the Applicant has only pressed for prayer clause "b" & "c" of the present Interlocutory Application at this stage, which reads as under :

B. Pass an Order directing the Respondent to indemnify and hold harmless the Applicant from and against all losses, claims, damages, liabilities, proceedings, costs (including legal fees), consumer complaints, product liability claims, regulatory actions,

and third-party disputes of every nature arising from or connected with the Respondents sale, distribution, marketing, and supply of iBall branded products, in terms of the MOU dated October 17, 2025 and the Proposed Settlement Agreement;

C. Pass an Order directing the Respondent to forthwith discharge all warranty and after-sales service obligations in respect of all iBall branded products sold and distributed till date of adjudication of this application, and to provide prompt and adequate customer support, repair, replacement, and complaint redressal services to all customers who approach it with legitimate warranty claims arising from products sold through the Respondents distribution channel;

- 5) It is submitted that the Respondent's conduct amounts to breach of contractual obligations, suppression of material facts, unjust enrichment, and abuse of process. It is further submitted that the Respondent, having participated in the CIRP and being bound by the Resolution Plan approved under Section 31(1) of the Code, is obligated to cooperate and not frustrate the Resolution Framework.
- 6) Heard Ld. Counsel for the Applicant extensively for a considerable time and perused the material on record.
- 7) It is noted that the MoU dt. 17.10.2025, was entered after the commencement of CIRP and it was within the

knowledge/concurrence of the Resolution Professional. The Applicant has sought to invoke jurisdiction of this Tribunal in relation to the Obligations arising from the sale of product through Respondent under the Tradename owned by the Corporate Debtor, which are in respect of independent contractual and civil disputes. A plain reading of the Interlocutory Application demonstrates that the present proceedings do not arise from the Corporate Insolvency Resolution Process or the approved Resolution Plan, but from independent contractual arrangements entered into between the parties subsequent thereto. The Applicant has neither pleaded nor sought implementation of any provision of the approved Resolution Plan.

- 8) The reliefs sought are founded upon the Memorandum of Understanding dated 17.10.2025, the alleged proposed Settlement Agreement and the alleged Contractual Obligations arising therefrom. The reliefs sought are purely Civil and Contractual in nature and pertain to the enforcement of alleged contractual rights and obligations.
- 9) It is to be noted that the Applicant has pursued parallel proceedings and simultaneously invoked the jurisdiction of this Tribunal as well as the Hon'ble City Civil Court at Dindoshi in

respect of the same cause of action. The jurisdiction exercised by this Tribunal under Sections 31 and 60(5) of the Code cannot be expanded to adjudicate ordinary contractual disputes or grant reliefs which ordinarily fall within the jurisdiction of a competent Civil Court, including reliefs in the nature of specific performance, mandatory injunctions and enforcement of post-resolution contractual arrangements; thus, the present Interlocutory Application bearing IA No. 1837 of 2026 is disposed of. However, the disposal of the present Interlocutory Application shall not fetter the Applicant's right to take appropriate recourse available under the Law before any Forum.

- 10) There will, however, be no order as to costs. Ordered Accordingly. File be consigned to record.

Sd/-

**PRABHAT KUMAR
MEMBER (TECHNICAL)**

Sd/-

**SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)**

Vedant Kedare
(Stenographer)