IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI

COURT - IV

I.A. No. 393 of 2025
IN
C.P. (IB) No. 1262/MB/2021

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

Ms. Sonal Yogeshbhai Shah

… Applicant

V/s.

Mr. Harish Kant Kaushik
Liquidator of R.J. Biotech Limited

… Respondent

In the matter of:

State Bank of India

... Financial Creditor

V/s.

R.J. Biotech Limited

… Corporate Debtor

Pronounced: 18.08.2026

***CORAM*:**

ANIL RAJ CHELLAN	**K.R. SAJI KUMAR**
HON'BLE MEMBER (TECHNICAL)	**HON'BLE MEMBER (JUDICIAL)**

Appearances	***:***	***Hybrid***
For the Applicant	:	Adv. Aniruth Purusothaman
For the Liquidator	:	Adv. Rakesh Gupta

ORDER

1. This Application has been filed by Ms. Sonal Yogeshbhai Shah (Applicant), i.e., the successful bidder in the E-auction dated 15.05.2024 conducted by Mr. Harish Kant Kaushik (Liquidator), for sale of the Corporate Debtor, viz., R.J. Biotech Limited, as a going concern. The Applicant has sought the following reliefs:

   (A) This Hon'ble Adjudicating Authority be pleased to allow this application;

   (B) This Hon'ble Adjudicating Authority be pleased to allow the acquisition plan along with reliefs and concessions contained therein, as annexed as Annexure-E to this application, in the interest of justice;

   (C) This Hon'ble Adjudicating Authority may be pleased to hold that the applicants have acquired the Corporate Debtor as a going concern and on a clean slate, in the interest of justice;

   (D) This Hon'ble Adjudicating Authority may be pleased to declare that all the liabilities pertaining to the Corporate Debtor prior to the Effective Date shall immediately, irrevocably and unconditionally stand extinguished and allow following reliefs;

   (E) This Hon'ble Adjudicating Authority may be pleased to pass any other order which this Hon'ble Tribunal may deem fit in the facts and circumstances of the case.

Submissions of Applicant

2. It is stated that State Bank of India filed an Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC/Code) bearing C.P. (IB) No. 1262/MB/2021, which was allowed by this Adjudicating Authority (AA) *vide* Order dated 20.09.2022, and Corporate Insolvency Resolution Process (CIRP) was initiated qua the Corporate Debtor. During the CIRP, the Resolution Professional (RP) constituted the Committee of Creditors (CoC).

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3. As no Resolution Plan was approved by the CoC, the RP filed an Application bearing I.A. No. 05/2024 seeking liquidation of the Corporate Debtor under Section 33(1) of the Code. This AA, upon consideration of the facts and circumstances therein, allowed the said Application *vide* Order dated 29.02.2024, and liquidation commenced for the Corporate Debtor.

4. The Liquidator made public announcement on 15.05.2024 in Form B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Liquidation Process Regulations). Subsequently, he published e-auction notice along with a detailed process memorandum to invite bids for the Corporate Debtor as a going concern. The Applicant participated in the e-auction process by paying the Earnest Money Deposit (EMD) and submitted a bid amounting to Rs. 4,03,00,000/-. Subsequently, in accordance with the terms of the process memorandum, the Liquidator declared the Applicant as the Successful Bidder for an amount of ₹4,03,00,000/-. A Letter of Intent dated 16.05.2024 was issued to the Applicant by the Liquidator, calling upon the former to pay the balance consideration amount of ₹3,68,70,000/-.

5. The Applicant submits that pursuant to the said Letter of Intent, the entire payment of sale consideration was made on 13.08.2024, and an acquisition plan has also been submitted to the Liquidator. It is stated that by virtue of the sale of the Corporate Debtor as a going concern, the Applicant has acquired the Corporate Debtor as a going concern along with all of its assets, including land and building, plant and machinery, all having absolute clear title and rights with no liability or dues, claims, obligations, whatsoever of any kind or type. The proposed acquisition plan dated 04.10.2024 has been duly annexed to this Application.

6. The Applicant therefore prays that this AA grant the reliefs and concessions as set out in the Application and the acquisition plan dated 04.10.2024 to enable the Applicant to continue to run the Corporate Debtor as a going concern. To further

buttress its submissions, the Applicant has relied on the following decisions by the Hon'ble Apex Court and the co-ordinate Benches:

i. *Arun Kumar Jagatramka vs. Jindal Steel and Power Limited* [Civil Appeal No. 9664 of 2019];

ii. *Plutus Investments and Holding Private Limited vs. Mr. Amit Gupta, Liquidator of Provogue (India) Limited* [NCLT MB-III; Order dated 25.04.2023; IA 794/2023 in CP(IB) 1667/2018];

iii. *Lokdun Telemedia Private Limited vs. Arun Kishanlai Bagaria Limited* [NCLT MB-I; Order dated 13.02.2024; IA 5288/2023 in CP(IB) 2794/2019];

iv. *Profit plus Infra Private Limited vs. Shri Pradeep Kumar Kabra, Liquidator of Pacific Pipe Systems Private Limited* [NCLT AHD-I; Order dated 23.11.2021; IA 411/2021 in CP(IB) 305/2018].

Submissions of Respondent

7. The Respondent/Liquidator has not filed a formal Reply; however it was submitted by the Liquidator that he has no objection to any relief and/or concession being granted to the Applicant, which is recorded in the Order dated 18.11.2025. The matter is therefore dealt with on the basis of the available pleadings and documents.

Analysis and Findings

8. We have heard the Ld. Counsel for the Applicant and perused all the documents on record.

9. It is evident from the records that the Liquidator of the Corporate Debtor published an e-auction notice along with a detailed process memorandum to invite bids for e-auction of the Corporate Debtor as a going concern. Pursuant to the above, the Liquidator conducted an e-auction for the sale of the Corporate Debtor "as a going concern" on the designated e-auction platform. The Applicant

participated in the e-auction process and submitted a bid amounting to Rs. 4,03,00,000/-. Subsequently, in accordance with the terms of the process memorandum, the Liquidator declared the Applicant as the Successful Bidder.

10. On 13.08.2024, the Applicant paid the full sale consideration and became entitled to acquire the Corporate Debtor, along with all its assets, as a going concern. In this regard, the Liquidator executed a confirmation of sale of the Corporate Debtor as a going concern on an "as is where is", "as is what is", "whatever there is", and "no recourse" basis with effect from 13.08.2024. Consequently, the Liquidator completed the sale of the Corporate Debtor and handed over all documents and possessions to the Applicant on 24.10.2024. Thereafter, the present Application was filed seeking various reliefs, primarily on the grounds that granting of those reliefs is essential for reviving the business of the Corporate Debtor and also to achieve value maximisation of the Corporate Debtor.

11. The Hon'ble NCLAT, in *Shantech International Pvt. Ltd. v. Devendra Singh, Liquidator of Venus Rolling Mills Pvt. Ltd.* [(2024) ibclaw.in 598 NCLAT], followed the principle that the waiver of liabilities with regard to dues of the corporate debtor should be dealt with according to the terms of the e-auction. In the present case, the process memorandum as well as the sale confirmation memorandum provide that the Company and its business and assets are sold on "as is where is", "as is what is", "whatever there is" and "no recourse basis". The receipt and sufficiency of the entire consideration for the purpose of such acquisition in full has been acknowledged by the Liquidator, and it is stated that the said consideration shall be distributed by the Liquidator in accordance with Section 53 of the Code. This will fully discharge and extinguish all past claims and liabilities of all stakeholders, including all creditors (financial, operational, governmental/statutory, or otherwise, including all taxes and duties) and shareholders of the Corporate Debtor in liquidation.

12. The Ld. Counsel for the Applicant has also relied upon a few precedents where the concept of 'clean slate' was extended in the case of "going concern sale" under liquidation. When the Company is sold as a going concern, with a specific

covenant that the sale consideration would be distributed in accordance with Section 53 of the Code, it is just and fair and in the interest of justice that the 'clean slate' theory is applied in order to enable the successful bidder to run, operate and manage the corporate debtor as a going concern. The Liquidator has raised no objection to the prayer sought in the Application and requests this AA to pass appropriate order as deemed fit.

13. Bearing in mind the overarching objective of facilitating a going concern sale in accordance with the process memorandum, along with various orders passed by the Hon'ble NCLAT and the coordinating Benches of this Tribunal, we are of the opinion that the Corporate Debtor shall not be liable for any of the past liabilities of the Corporate Debtor. Thus, we hold that the Corporate Debtor is freed from past liabilities and encumbrances as of the process memorandum.

14. The Ld. Counsel appearing for the Applicant filed a memo dated 04.08.2026, confirming that he is not pressing for any reliefs other than prayer clause (C), which provides for taking over of the Corporate Debtor as a going concern on a clean slate. Further, liberty was sought to pursue appropriate reliefs qua concerned authorities if and when required to enable the Corporate Debtor to run as a going concern.

15. In view of the confirmation by way of memo filed by the Ld. Counsel, we do not consider it necessary to deal with other reliefs sought in the Application. Consequently, we allow prayer (C), which provides for taking over of the Corporate Debtor as a going concern on a clean slate. Further, liberty is granted to pursue appropriate reliefs qua concerned statutory authorities.

16. Accordingly, **IA.No.393/2025 is partly allowed and disposed of.**

Sd/-	Sd/-
ANIL RAJ CHELLAN	**K. R. SAJI KUMAR**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

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