S.No.2

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
07-10-2026 After Court-II

IA(IBC)1214/2026 & IA(IBC)1218/2026 in
CP(IB)497/7/HDB/2018
u/s. 7 of IBC

IN THE MATTER OF:

International Asset Reconstruction Company Pvt Ltd **…Petitioner/s**

Vs.

Atlanti Spinning and Weaving Mills Ltd **…Respondent/s**

C O R A M:
SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA (IBC) 1218/2026

Orders pronounced, recorded vide separate sheets.

In the result, this IA (IBC) 1218/2026 is disposed of.

IA (IBC) 1214/2026

Present: Mr. VV Siva Kumar and Mr. Sriram Reddy, Ld. Counsels for the Applicant.

This application has been filed to extend the Liquidation Period by 180 days from 15.07.2026. Keeping in view the submissions made in the application, the Liquidation Period is extended by 90 days with effect from 15.07.2026. **Accordingly, this application is allowed and disposed of.**

Sd/- **Sd/-**

MEMBER (T) **MEMBER (J)**

Apoorva

IN THE NATIONAL COMPANY LAW TRIBUNAL,

HYDERABAD BENCH – I, HYDERABAD

IA (IBC) No. 1218 of 2026

In

CP (IB) No. 497/7/HDB/2018

(Under Regulation 33(2) read with Schedule I of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

In the matter of M/s. Atlantic Spinning and Weaving Mills Limited (In Liquidation)

Between:

Ms. Sujata Chattopadhyay,
Liquidator of Atlantic Spinning and Weaving Mills Ltd.,
CH-1/15, Kendriya Vihar, Sector 11, Kharghar,
Navi Mumbai – 410 210. ...Applicant

In the matter of:

M/s. International Asset Reconstruction Company Pvt. Ltd.

...Financial Creditor/

V/s

Atlantic Spinning and Weaving Mills Ltd.
(Under Liquidation) ...Corporate Debtor

Date of Order: 07.10.2026

Coram:
Sri Rajeev Bhardwaj, Member (Judicial)
Sri Sanjay Puri, Member (Technical)

Parties/Counsels:
For the Applicant : Mr. V. V. Siva Kumar, Advocate and
Mr. B. Sriram Reddy, Advocate.

ORDER

1. The present application is filed by Ms. Sujata Chattopadhyay[1], the Liquidator of Atlantic Spinning and Weaving Mills Limited[2], under Regulation 33(2) read with Schedule I of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations[3], 2016, inter alia, seeking the following reliefs:

> (a) Allow the present Application;
>
> (b) Grant formal approval/sanction for the sale, by way of private sale, of a distinct parcel of land admeasuring 1.00 Acre out of the total 4.20 Acres comprised in Survey No. 535, Kesare Village, Kasaba Hobli, Mysuru District, Karnataka, belonging to the Corporate Debtor, in favour of Sreenivasa & Co. ("Proposed Purchaser"), for a consideration of Rs. 1,75,00,000/- (Rupees One Crore Seventy Five Lakhs only), on an "as is where is", "as is what is", "whatever there is" and "no recourse" basis, in terms of the resolution passed by the Stakeholders Consultation Committee ("SCC") at its 30th meeting held on 17.06.2026 and approved by e-voting concluded on 08.07.2026;
>
> (c) Permit the Liquidator to execute the Sale Certificate/Sale Deed and all other transfer documents in favour of the Proposed Purchaser upon receipt of the full sale consideration; and

Case of the Applicant:

2. It is the case of the Applicant that the Corporate Debtor was ordered into liquidation vide order of this Tribunal dated 09.01.2020 in IA No. 284 of 2019 in CP (IB) No. 497/7/HDB/2018, passed under Section 33(1) of the Insolvency and Bankruptcy Code[4], 2016.

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[1] Applicant/Liquidator
[2] Corporate Debtor
[3] Liquidation Regulations
[4] Code, 2016

3. The Applicant was appointed as Liquidator to carry out the liquidation of the Corporate Debtor in accordance with the Code and the Liquidation Regulations.

4. The Liquidation Estate includes, inter alia, land admeasuring 4.20 Acres (4 Acres 20 Guntas) situated at Survey No. 535, Kesare Village, Kasaba Hobli, Mysuru District, Karnataka ("Subject Property"). The Subject Property forms part of a larger extent of land situated at Kesare Village comprising Survey Nos. 535, 538, 539, 540, 541, 542, 543 and 581.

5. In order to realise the value of the Subject Property for the benefit of the stakeholders, the Liquidator, with the approval of the Stakeholders' Consultation Committee ("SCC"), initially attempted to realise the said land through the e-auction process. However, no bids were received, primarily on account of the Subject Property being completely encroached upon.

6. Since the auction process did not yield any response, the Liquidator thereafter explored the alternative mechanism of assignment of the Subject Property as a Not Readily Realisable Asset ("NRRA") under Regulation 37A of the Liquidation Regulations. Accordingly, an Expression of Interest was invited vide Public Notice dated 15.09.2023, with 25.10.2023 being the last date for submission of the Expression of Interest. No Expression of Interest was received and the NRRA process consequently failed.

7. Thus, despite the efforts made by the Liquidator through both the e-auction and NRRA mechanisms, the Subject Property could not be realised. The position continues to remain unchanged, as the Subject Property is substantially encroached upon by ex-workers of the erstwhile K.R. Mills Limited, thereby materially affecting its marketability and making its realisation through the conventional modes of sale impracticable.

8. In these circumstances, the Applicant states that the Liquidator received an offer from Sreenivasa & Co., through its Partner Mr. Tejas S Gowda, owner of the property immediately adjoining the Subject Property at Survey No. 580, Kesare Village, for private purchase of a demarcated extent of 1.00 Acre carved out of the 4.20 Acres comprised in Survey No. 535.

9. The initial proposal dated 13.05.2026 was followed by a formal offer of Rs. 1,50,00,000/- dated 15.05.2026, which was negotiated and settled at Rs. 1,75,00,000/-.

10. The Proposed Purchaser thereafter furnished his complete buyer details, including Income Tax Returns for the preceding three financial years, a Net Worth Certificate, details of source of funds, and a sworn declaration of eligibility confirming that he is not disqualified under Section 29A of the Code, vide communication dated 20.06.2026.

11. The proposal for private sale, together with the terms and conditions thereof, was placed before the SCC in its 30th meeting held on 17.06.2026 under Agenda No. 6. At the said meeting, the Liquidator informed the SCC that JM Financial Asset Reconstruction Company Limited ("JMFARCL") is the sole charge-holder over the Subject Property and that the proposed resolution would accordingly be voted upon by JMFARCL.

12. The resolution was thereafter placed for e-voting, which commenced on 22.06.2026 and concluded on 08.07.2026. JMFARCL voted 100% in favour of the proposed private sale and the resolution was accordingly approved, subject to the sanction of this Tribunal

13. The operative resolution passed by the SCC records the consent of the SCC, under Section 35(1)(f) of the Code read with Regulation 31A, Regulation 33(2) and Schedule I of the Liquidation Regulations, to the private sale of 1.00 Acre out of the 4.20 Acres to the Proposed

Purchaser, on an "as is where is", "as is what is", "whatever there is" and "no recourse" basis.

14. The Proposed Purchaser shall bear, at his own cost and risk, all expenses and consequences relating to removal of encroachments, survey and demarcation of the property, fixing of boundaries and obtaining mutation/khatha or any other consequential records, without any recourse against the Corporate Debtor, the Liquidator or the stakeholders.

15. In the aforesaid circumstances, the proposed private sale would facilitate realisation of value from a portion of the Subject Property which has remained unrealised despite the efforts undertaken by the Liquidator through the available modes of sale, while avoiding further delay and costs to the Liquidation Estate.

16. The Applicant therefore seeks permission of this Tribunal to proceed with the private sale of the demarcated extent of 1.00 Acre to the Proposed Purchaser for a consideration of Rs.1,75,00,000/-, subject to receipt of the entire sale consideration and execution of the sale documents only upon and pursuant to the sanction of this Tribunal.

17. It is noted that IA No. 1363 of 2026 was filed by the Applicant seeking to place additional documents on record in relation to the issue of occupation of the Subject Property by the ex-workers of erstwhile K.R. Mills Limited, which arose during the hearing of IA No. 1218 of 2026. IA No. 1218 of 2026 was reserved for orders on 31.08.2026. Thereafter, IA No. 1363 of 2026 was filed and tagged with IA No. 1218 of 2026 on 23.09.2026. The documents filed therein are also taken into consideration for adjudication of the present Application.

Findings and Analysis:

18. We have heard learned counsel for the Applicant, and perused the material available on record, including the documents filed along with IA(IBC) No.1363 of 2026. The Corporate Debtor was ordered into

liquidation on 09.01.2020. The Subject Property, admeasuring 4.20 Acres, has remained unrealised during the liquidation process despite the Liquidator having initially attempted to realise the same through e-auction and thereafter through the NRRA mechanism under Regulation 37A of the Liquidation Regulations.

19. The record shows that, after the failure of the aforesaid processes, Sreenivasa & Co., through its Partner Mr. Tejas S. Gowda, approached the Liquidator and expressed its willingness to purchase a demarcated extent of 1.00 Acre out of the total 4.20 Acres comprised in Survey No. 535. The initial offer dated 13.05.2026 was followed by a formal offer dated 15.05.2026 for Rs.1,50,00,000/-, which, after negotiations, was settled at Rs.1,75,00,000/-.

20. The said proposal was thereafter placed before the SCC in its 30th meeting held on 17.06.2026 and was approved by JMFARCL, stated to be the sole charge-holder over the Subject Property, with 100% voting. The same is extracted below:

> "RESOLVED THAT pursuant to Section 35(1)(f) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 31A, Regulation 33(2), and Schedule I of the IBBI (Liquidation Process) Regulations, 2016... the consent of the Stakeholders Consultation Committee be and is hereby accorded to the Liquidator to sell a distinct parcel of land admeasuring 1.00 Acre out of the total 4.20 Acres... via Private Sale to Sreenivasa & Co... RESOLVED FURTHER THAT the SCC notes and records that this private sale is being executed under the specific enabling provisions of Regulation 33(2)(c)..."

21. The present Application has accordingly been filed seeking the prior permission of this Adjudicating Authority for the proposed private sale.

22. Regulation 33(1) contemplates auction as the ordinary mode of sale of the assets of the Corporate Debtor, in the manner specified in

Schedule I. Private sale is an exception and can be resorted to only in the circumstances specified in Regulation 33(2). Where the Liquidator seeks to proceed by way of private sale on the basis of Regulation 33(2)(d), prior permission of the Adjudicating Authority is required.

23. In ***Bhavik Bhimjyani v. Uday Vinodchandra Shah***, ***(2025) ibclaw.in 418 NCLAT***, the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi, set aside a private sale earlier approved by the Adjudicating Authority. The relevant paragraphs are extracted below:

> *"95. From the above statutory provisions, it can be noticed that private sale can be resorted to only in the condition when either the asset is perishable or asset is likely to deteriorate or asset is sold at a higher price than the reserve price of a failed auction or the prior permission of the Adjudicating Authority has been obtained for such sale. We find that no such condition exists in this case."*
>
> *"96. We need to note the Regulations are mandatory in nature. Regulation 33 (1) mandates that the Liquidator "shall ordinarily sell the assets of the corporate debtor through an auction in the manner specified in Schedule I". A private sale is meant to be an exception, allowed only in specific circumstances enumerated in Regulation 33 (2)... Prior permission for private sale from the Adjudicating Authority implies prior to approaching and negotiating with buyers."*

24. In this regard, we usefully refer to the judgment of the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi, in ***Orissa Alloy Steel Pvt. Ltd. v. S M Steels and Power Ltd. and Ors.***, ***(2025) ibclaw.in 910 NCLAT***, wherein it has been categorically held that the "prior permission" contemplated under Regulation 33(2) of the Liquidation Regulations must be sought, and obtained, before the terms of the private sale are finalised and the process concluded. The relevant para is extracted below:

> *"63. …the connotation of the expression "prior permission" would unambiguously mean seeking authorization before an act is carried out in contrast to seeking authorization for an action after it has already been concluded or parallelly/contemporaneously sought while in the process of being concluded. The liquidator was required to obtain prior permission from the Adjudicating Authority before proceeding with the private sale transaction, which not having been done, to our minds, tantamount to an infraction of the LPR."*

25. Therefore, it is clear that the prior permission of the Adjudicating Authority has to be obtained before the Liquidator approaches or negotiates with a prospective purchaser. In the present case, however, the Proposed Purchaser had already approached the Liquidator, negotiations had taken place and the consideration had been settled at Rs.1.75 Crore before the present Application was filed. The proposal was also approved by the SCC prior to seeking permission of this Adjudicating Authority.

26. We further find that no material has been placed on record to show the reserve price at which the Subject Property was offered in the earlier e-auction. In the absence of such material, the adequacy of the consideration proposed under the private sale cannot be properly assessed.

27. We also note that the proposed sale is confined to 1.00 Acre out of the total extent of 4.20 Acres. However, no material has been placed on record to show that such sale would not prejudice the value, access, utility or future realisation of the remaining extent of 3.20 Acres.

28. The record also does not disclose whether any public notice or other prescribed process was undertaken before the negotiations with the Proposed Purchaser. The mere fact that the property has remained unsold for a considerable period cannot, by itself, dispense with the procedure prescribed for a private sale.

29. We have also taken into consideration that the Subject Property is stated to be under encroachment, in respect of which the Applicant has placed additional documents on record through IA No. 1363 of 2026, and that the Subject Property has remained unrealised for a considerable period despite the earlier attempts for its sale. These circumstances may justify consideration of private sale as an alternative mode of realisation. However, such circumstances do not dispense with compliance with the procedure prescribed under the Liquidation Regulations.

30. In these circumstances, we are of the view that the Applicant has to follow the procedure laid down under the Code and the Liquidation Regulations for effecting a private sale.

Accordingly, the present Application is disposed of in the above terms.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)