<u>IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH</u>
(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)
I.A. No. 676 of 2025
in
C.P. (IB) No. 189/BB/2018
(Interlocutory Application under Section 60(5)(c) of the IBC, 2016 read with Rule 32A of the Liquidation Process Regulations, 2016 & Rule 11 of NCLT Rules,2016)

IN THE MATTER OF

GREYDUNE INFRA PRIVATE LIMITED,
44/2A, Kodigehalli Gate,
Sahakar Nagar, Bangalore – 560092. …**Applicant**

Versus

Samruddhi Realty Ltd.,
through its Liquidator **- Mr. Pankaj Srivastava,**
5, 5th Cross, Navya Nagar,
Jakkur, Bangalore – 560097. **…Respondent**

Order delivered on: 14.11.2025

IN THE MATTER OF

M/s. Moonbeam Advisory Private Limited ….Operational Creditor

Versus

M/s. Samruddhi Realty Limited …Financial Creditor

Coram: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

Parties/Counsels Present:

For the Applicant : Shri Abhijit Atur
For the Liquidator : Shri Abhishek Anand

O R D E R

1. The present Application has been filed by M/s. Greydune Infra Private Limited (CIN: U68200KA2024PTC192566), under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), read with Rule 32A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Rule 11 of

the National Company Law Tribunal Rules, 2016, seeking the following reliefs in relation to the sale of Corporate Debtor as a going concern:

i. *"Direct that, on and from the date of acquisition, the entire existing paid-up share capital of the Corporate Debtor, including all equity and preference shares, if any, shall stand extinguished without any consideration and shall cease to have any legal effect whatsoever; and that the Corporate Debtor shall be permitted to issue fresh equity shares to the Applicant and/or its nominees as stated in this application, in accordance with applicable laws;*

ii. *Direct that on and from the date of acquisition, all the claims or demands made by, or liabilities or obligations owned or payable to any actual or potential creditors of the Corporate Debtor including the Government Dues (including but not limited to liabilities, interest and penalties, duties, etc. on account of income-tax, tax deduction at source, tax collection at source, goods and services tax, custom duty, value added tax, service tax, wealth-tax, cess, DGFT dues, etc.) whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystalized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed in relation to any period prior to the date of acquisition will be written off in full and shall stand permanently extinguished;*

iii. *Direct that on and from the date of acquisition, all inquiries, investigations, assessments, notices, causes of action, suits, claims, disputes, litigations, arbitration, or other judicial, regulatory or administrative proceedings against, or in relation to, or in connection with the Corporate Debtor or the affairs of the Corporate Debtor (other than against the Erstwhile Promoters or former members of the management of the Corporate Debtor), pending or threatened, present or future, whether admitted or not in relation to any period prior to the date of acquisition or arising on account of the Acquisition shall be deemed to be withdrawn or dismissed;*

iv. *Direct that on and from the date of acquisition, all financial and pecuniary liabilities of the Corporate Debtor, (including without limitation, any penalty, whether contingent, assessed, known or unknown, interest, fines or fees and any other liabilities and/or obligations which may have a financial impact) in relation to any period prior to the Transfer Date shall be deemed to be extinguished, whether accepted by the Respondent or not in full or part. The same shall not be recoverable in any form or manner whatsoever from the Corporate Debtor or the Applicant, their successors or assignees;*

v. *Direct that on and from the date of acquisition, any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions prior to the date of acquisition shall be deemed to be extinguished;*

vi. *Direct that on and from the date of acquisition, the status of the Corporate Debtor in the records of the Registrar of Companies should be reflected as 'active' from the status of 'liquidation".*

vii. *Direct the Liquidator to handover all the bank accounts of the Corporate Debtor to the Applicant.*

viii. *Direct that from the date of acquisition, the Board of Directors of the Corporate Debtor be re-constituted as per the Companies Act, 2013 and that the following nominees of Successful Bidder shall be deemed to be the Directors of the Corporate Debtor viz.,* ***(A)*** *Rajesh G V [DIN No. 10648385] and* ***(B)*** *Lakshmaiah Kalpana [DIN No. 10760698], under the provisions of the Companies Act, 2013, and direct the Registrar of Companies to do all such acts, deeds and things that are necessary to appoint the individuals as directors of the Corporate Debtor, in order to enable the Corporate Debtor to file relevant returns required by applicable law;*

ix. *Direct that on and from the date of acquisition, all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled to shall, notwithstanding any provision to the contrary in their terms and irrespective of the commencement of the insolvency/liquidation proceedings under the Code, in relation to the Corporate Debtor be deemed to continue without disruption, for the benefit of the Corporate Debtor and all additional licenses, registrations and consents required by the Corporate Debtor be made available immediately from the Date of the Acquisition;*

x. *On and from the date of acquisition, direct the Applicant shall have a right to review and terminate any contract that was entered into prior to the Date of the Acquisition;*

xi. *Direct that all applications for renewal, revalidation, sanction, or revision of layout plans, building plans, project approvals, or development permissions (including A-Khata conversion, change of land use, and building license applications) in respect of the Projects forming part of the sale shall be processed and considered by the concerned planning authorities on a priority basis, and shall not be rejected on the ground of pendency of liquidation, change of management, or historical non-compliance, provided the Applicant satisfies current technical and legal requirements.*

xii. *Direct that all prior lapses, delays, or deficiencies in obtaining or renewing planning approvals, licenses or building sanctions by the Corporate Debtor before the acquisition date shall be deemed to be condoned and shall not affect the processing of new applications by the Applicant.*

xiii. *Direct the relevant municipal authorities and development authorities to issue or revalidate all pending licenses, No Objection Certificates (NOCs), commencement and completion certificates, and occupancy certificates in respect of the ongoing and upcoming real estate projects, based on the updated development strategy and ownership of the Applicant, without reference to the prior promoter or historical non-compliances.*

xiv. *Declare that the Applicant shall be treated as a new promoter/developer and not liable for penalties or rejections arising from the inaction or misconduct of the previous management of the Corporate Debtor.*

xv. *Direct the Karnataka Real Estate Regulatory Authority (KRERA) to permit the Applicant to register the Projects under RERA afresh or seek revival/amendment of past registrations, by treating the Applicant as a new* *promoter under Section 15 of the Real Estate (Regulation and Development) Act, 2016, read with Rule 6 of the Karnataka RERA Rules.*

xvi. *Declare that the Applicant shall not be held liable for any penalties, interest, or regulatory actions imposed under RERA in relation to past defaults or delays attributable to the erstwhile management of the Corporate Debtor.*

xvii. *Permit the Corporate Debtor through the Successful Bidder to continue the ongoing Projects and direct the Landowners, Homebuyers to continue their obligations under the existing development Agreements, so that Corporate Debtor can complete the Ongoing Projects, since, the value of the Corporate Debtor, which is a Real Estate Company, is mainly in the Joint Development Agreements and MOUs and value of the Homebuyers is dependent on continuation of these Joint Development Agreements and MOUs;*

xviii. *On and from the date of acquisition, direct the Corporate Debtor and its officials to cooperate with, and provide all necessary support and assistance to the Applicant, including but not limited to perfecting/ amending/modifying/creating the land records in relation to all parcels of land, the immovable properties and assets, belonging to the Corporate Debtor in favour of the Corporate Debtor within 4 weeks from date of acquisition;*

xix. *On and from the date of acquisition, permit the Corporate Debtor through the Successful Bidder to, immediately,* ***(i)*** *write back all the liabilities of the Corporate Debtor, including creditors, term loans, working capital loans, tax the liabilities, other statutory liabilities, etc. which are not payable and reflect total liabilities at the amount of the consideration (as reduced by the amount of insolvency resolution process costs and the liquidation costs) determined in the auction; and* ***(ii)*** *the assets which are not recoverable (debtors, inventories and loans and advances, etc.) should be written down to their realizable value; in the financial statements (Profit and Loss Account and the Balance Sheet) of the Corporate Debtor. Allow the Corporate Debtor through the Applicant to prepare and file the said financial statements with the relevant regulators such as Registrar of Companies, Income Tax Authorities, GST Authorities, etc. without any penalties / Interests for the delays if any.*

xx. *Any noncompliance / breach/default of provisions of any Acts, laws, rules, regulations, directions, notifications, circulars pertaining to a period prior to the date of execution of the sale certificate, shall be deemed to be extinguished in perpetuity.*

xxi. *Any non-compliance of the provisions of Companies Act, 2013 in filing of the Financial Statements, Annual Reports or other Returns upto the date of execution of the sale certificate be waived, and, the Corporate Debtor be permitted to file Financial Statements, Annual Report or other Returns to Registrar of Companies with the requisite Disclaimers, without any Interest /Penalty or Damages.*

xxii. *The Registrar of Companies shall permit any request for cancellation of Share Capital and allotment of fresh shares of the Corporate Debtor to the Successful Bidder or their nominees on or after the Letter of Intent by the Liquidator.*

xxiii. *Permit the Corporate Debtor to delist from the Bombay Stock Exchange and to be converted into and operated as a private limited company, post extinguishment of all existing share capital and allotment of fresh equity, subject to applicable law and regulatory approvals; and direct the Registrar of Companies and BSE/SEBI to consider such application expeditiously and without levy of penalties or interest, and subject to compliance with procedural formalities.*

xxiv. *Direct that all regulatory filings, permissions, approvals and modifications required in connection with such conversion be treated as consequent to the sale of the Corporate Debtor as a going concern and be granted effect accordingly, without levy of penalties or interest, and subject to compliance with procedural formalities.*

xxv. *Direct that on and from the date of acquisition that the brought forward tax losses of the Corporate Debtor be permitted to be carried forward and set-off against future income as change of shareholding of the Corporate Debtor is pursuant to the bid submitted by the Successful Bidder Respondent under the E-Auction Process;*

xxvi. *The Corporate Debtor shall be entitled to reliefs/exemptions/waivers from invoking the provisions of Income Tax Act, 1961 on account of any restructuring steps or any write offs or extinguishment of assets/liabilities being undertaken by the Acquirer. Any tax liabilities that may arise on account of such actions shall be deemed a past liability and be extinguished in perpetuity on the effective date.*

xxvii. *The Corporate Debtor shall be exempted from payment of taxes, levies, penalties, transfer premiums stamp duty, registration fee for various actions pursuant to the "Sale as Going Concern" to ROC, Stock Exchanges, State Government, Central Government or any other Government agencies.*

xxviii. *Any recovery from the Receivables of the Corporate Debtor shall accrue to the Corporate Debtor itself for utilizing in the development of Projects being implemented by the Corporate Debtor.*

xxix. *Direct that the bid submitted by the Applicant should be considered to be a Resolution Plan under Regulation 31 of Insolvency and Bankruptcy Code, 2016 and under Section 79 of the Income Tax Act, 1961.*

xxx. *On and from the date of acquisition, direct the Registrar of Companies to adopt the Memorandum and Articles of Association of the Corporate Debtor as revised with consent of the Applicant.*

xxxi. *On and from the date of acquisition, permit the Corporate Debtor and the creditors including bank and other financial creditors to take necessary action to get the name of the Corporate Debtor removed from defaulter lists with Credit Information Companies (eg., CIBIL), RBI, Information Utilities under the IBC Code, willful defaulter list if any etc. and to treat the account of the Corporate Debtor as standard.*

xxxii. *Pass a direction that on and from the date of acquisition, all regulatory approvals, licenses and contracts are sustained in the manner required by the Respondent for maintaining the Corporate Debtor as a going concern.*

xxxiii. *On and from the date of acquisition, pass a direction that all the creditors are discharged, and the Corporate Debtor and its assets and receivables are free from any claims or encumbrances;*

xxxiv. Direct that on and from the date of acquisition, the Respondent and the Corporate Debtor is not responsible for other claims, liabilities or obligation;

xxxv. Direct on and from the date of acquisition that all legal or regulatory proceedings (irrespective or its stage or sanctity - whether initiated or not) against the Corporate Debtor shall stand cancelled;

xxxvi. Direct the Liquidator to hand over all books of accounts, documents, returns, working papers, which is in his possession of the Corporate Debtor for the period prior to the Letter of Intent.

xxxvii. Direct any other or further order or orders be passed and/or direction or directions be given as the Hon'ble Tribunal may deem fit and proper."

2. Brief facts of the case as in the application are as follows:

   i. The Company Petition (IB) No. 189/BB/2018 had been filed by *the* Operational Creditor seeking initiation of the CIRP of *Samruddhi Realty Limited* (Corporate Debtor), a company listed on the Bombay Stock Exchange, the listing of which was suspended for reasons not known to the Applicant. By order dated 16.04.2019 the petition was admitted and CIRP initiated against the Corporate Debtor. As no resolution plan was approved by the Committee of Creditors, initiation of liquidation proceedings under the Code was directed vide order dated 03.03.2020 and Mr. Pankaj Srivastava was appointed as the Liquidator. Pursuant to the said order, a public notice dated 17.03.2020 was issued by the Liquidator in accordance with law.

   ii. It is stated that several rounds of e-auctions were held by the Liquidator, but all the assets of the Corporate Debtor could not be liquidated. Thereafter, an invitation for expression of interest was issued on 24.11.2024 for sale of the Corporate Debtor as a going concern in respect of the projects, namely, **Project Wintergreen**, **Project Lumbini Heights**, **Project Malleshwaram**, **Project ORR**, **Project Northshire**, and the **Residency Road Property**. The said invitation was followed by an extension of the last date for submission of EOI up to 25.01.2025. A Process Memorandum dated 29.11.2024 was also issued for sale of the Corporate Debtor or its business as a going concern.

   iii. Pursuant to the said process, the Applicant deposited an earnest money of Rs.24.60 lakh on 24.01.2025, Rs.221.40 lakh on 30.01.2025, and Rs.24.60

lakh on 31.01.2025 in accordance with the terms of the Process Memorandum. The e-auction was conducted on 01.02.2025, in which the Applicant submitted a bid for ***Rs.24.60 crore*** for acquiring the Corporate Debtor as a going concern and was declared the successful bidder by the Liquidator vide Letter of Intent dated 03.02.2025. Thereafter, the Applicant discharged the entire sale consideration of Rs. 24,92,91,682/, comprising the base auction amount of Rs. 24.60 crore and Rs. 32,91,682/- towards interest on delayed payment. A Sale Certificate dated 28.05.2025 was issued by the Liquidator transferring ownership of the Corporate Debtor and its assets to the Applicant.

iv. In terms of the Sale Certificate, Project Monitoring Committees were to be constituted for each incomplete project, chaired by the Liquidator and comprising representatives of the home-buyer associations and nominees of the Applicant, to oversee progress and cash flow until completion and handover of the respective projects. The committees are to dissolve upon satisfaction of home-buyer's interests, either through completion of the project or refund of amounts as mutually agreed. The Applicant has, accordingly, approached for seeking necessary reliefs, permissions, concessions and approvals required for the revival and continuation of the Corporate Debtor as a going concern.

v. It is submitted that the sale of the Corporate Debtor as a going concern under Regulation 32A of the Liquidation Process Regulations requires grant of certain consequential reliefs and concessions to enable its effective operations. Various Benches of the Hon'ble NCLT have held that in such sales, the purchaser acquires the Corporate Debtor on a "clean slate" basis, free from past liabilities, and the legal entity continues in existence while all claims are to be settled in accordance with Section 53 of the Code. The Applicant therefore seeks to continue the business of the Corporate Debtor in line with these principles.

vi. It is further submitted that, as held by the NCLT, Mumbai Bench in ***Bank of Baroda v. Topworth Pipes & Tubes Pvt. Ltd.*** **(C.P. (IB) No. 1239/MB/2018**, order dated 09.03.2021), the sale of a corporate debtor as a going concern in liquidation results in transfer of assets along with the legal entity, while liabilities are settled through the liquidation waterfall mechanism under Section 53 of the Code. Similarly, the NCLT, Hyderabad Bench, in ***Dr. Devaiah Pagidipati v. Southern Online Bio Technologies Ltd.*** (I.A. No. 1038 of 2019 in C.P. (IB) No. 343/7/HDB/2018, order dated 26.11.2019), has held that where a corporate debtor is sold as a going concern, the purchaser is entitled to such consequential reliefs as are necessary to continue operations in compliance with applicable law. The NCLT, Hyderabad Bench, in ***SREI Equipment Finance Ltd. v. Vishwa Infrastructures and Services Pvt. Ltd.*** (C.P. (IB) No. 329/7/HDB/2018, order dated 30.06.2021), recognised the entitlement of the purchaser to carry forward tax benefits subject to applicable statutory provisions. The NCLT, Mumbai Bench, in ***Elecon Engineering Co. Ltd. v. Enviiro Bulkk Handling Systems Pvt. Ltd.*** (I.A. No. 741 of 2021 in C.P. (IB) No. 1319/MB/2017, order dated 21.06.2021), and the Calcutta High Court in ***Kashvi Power & Steel Pvt. Ltd. v. West Bengal State Electricity Distribution Co. Ltd.*** (WPA 6327 of 2022, order dated 12.08.2022), have reaffirmed that a sale of the corporate debtor as a going concern under liquidation must be effected on a "clean slate" basis, and that the purchaser cannot be saddled with historical dues not specifically identified under Regulation 32A(3).

vii. Further, the NCLT, Ahmedabad Bench, in ***Nitin Jain, Liquidator of PSL Ltd. v. Lucky Holdings Pvt. Ltd.*****,** has observed that reliefs and concessions akin to those granted under an approved resolution plan may be allowed where such reliefs are central to the continuation of the corporate debtor as a going concern and arise from liquidation proceedings, falling within the jurisdiction of the Adjudicating Authority under Section 60(5)(c) of the Code.

viii. In light of the above judicial precedents, the Applicant submits that the reliefs and concessions sought are integral to achieving the object of the Code, namely, the revival of the Corporate Debtor and preservation of its business as a going concern. The same are necessary to maximise the value of its assets, safeguard the interests of stakeholders including home-buyers, and ensure smooth implementation of the sale transaction in accordance with law.

3. The Respondent filed its Reply, on 13.09.2025 stating as follows:

    i. Pursuant to the order dated 03.03.2020 where the Respondent was appointed as the Liquidator, a public announcement under Regulation 12 of the IBBI (Liquidation Process) Regulations, 2016 was published on 17.03.2020, inviting submission of claims up to 17.04.2020.

    ii. As on the liquidation commencement date, the Corporate Debtor had several incomplete projects, including *Project Sunshine, Project Song of Winds, Project Rhythm, Project North Square,* and *Project Winter Green.* In addition, certain completed projects such as *Lake Drive* and *Mystic Winds* contained unregistered units forming part of the liquidation estate, as well as ongoing projects under various joint development agreements and memoranda of understanding, including *Lumbini Heights, Malleshwaram, ORR, Northshire,* and *Residency Road.*

    iii. In accordance with Regulations 32 and 33 of the Liquidation Regulations, the Liquidator issued an e-auction notice dated 29.11.2024 for the sale of the Corporate Debtor and its assets on "*as is where is*" and "*as is what is*" basis. The notice offered Block-1, comprising the above-mentioned projects, for sale as a going concern at a total reserve price of Rs.24.60 crore. Certain other assets and projects were offered on a standalone basis at an aggregate reserve price of Rs. 44.08 crore, together with specified non-real estate receivables and actionable claims. The auction process was extended by corrigendum dated 02.01.2025, and the Liquidator also published a Process Information Document dated 29.11.2024 (revised on 02.01.2025), detailing the terms and conditions of sale.

    iv. Pursuant to the said auction, Applicant submitted its bid of Rs.24.60 crore for acquisition of the Corporate Debtor as a going concern, having deposited earnest money of Rs. 2.46 crore. The Applicant was declared the successful bidder, and a Letter of Intent was issued on 03.02.2025. The Applicant subsequently remitted the full sale consideration of Rs. 24.60 crore, along with Rs. 32,91,682 towards interest on delayed payment, whereupon the Liquidator issued a Sale Certificate dated 28.05.2025 in accordance with the Liquidation Regulations. The Sale Certificate clarified that any reliefs or concessions in respect of the Corporate Debtor would remain subject to the approval of the Adjudicating Authority.

v. The present Application filed by the Successful Bidder seeks various reliefs and concessions relating to extinguishment of past shareholding, liabilities, and proceedings, as well as restoration of corporate status and recognition of change in management. The Answering Respondent submits that, while certain reliefs may be considered necessary to facilitate revival of the Corporate Debtor as a going concern, the same must remain subject to statutory safeguards and compliance requirements under the Code.

vi. The Liquidator submits that the prayer for extinguishment of existing share capital and issuance of fresh equity in favor of the Successful Bidder may be allowed in accordance with law, provided that all incoming shareholders and beneficial owners furnish sworn affidavits of eligibility under Section 29A of the Code. This safeguard is essential to maintain the sanctity of the liquidation process and prevent future challenges on grounds of ineligibility.

vii. It is further submitted that extinguishment of all past dues, claims, and liabilities of the Corporate Debtor, including governmental and statutory dues, is integral to the "clean slate" principle applicable to sale as a going concern under Regulation 32A of the Liquidation Regulations, as recognized by the Hon'ble NCLAT and Hon'ble Supreme Court in ***Shiv Shakti Inter Globe Exports Pvt. Ltd. v. KTC Foods Pvt. Ltd.***, ***Ghanshyam Mishra & Sons Pvt. Ltd. v. Edelweiss ARC***, and ***CoC of Essar Steel India Ltd. v. Satish Gupta & Ors.*** Such extinguishment is necessary to enable effective revival of the Corporate Debtor, free from the burden of historical liabilities.

viii. The Liquidator further submits that the proposed reconstitution of the Board of Directors of the Corporate Debtor upon acquisition, by appointment of nominees of the Successful Bidder, is a statutory and logical consequence of transfer of ownership and management. Continuation of existing contracts, approvals, licenses, and project-related entitlements of the Corporate Debtor is essential for business continuity and value preservation, provided that all requisite statutory and regulatory compliances are duly undertaken by the Applicant.

ix. In light of the above, the Liquidator respectfully submits that the matter be considered by this Authority in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, the Liquidation Regulations, and relevant judicial precedents, ensuring protection of all stakeholders and adherence to the objectives of maximization of value and revival of the Corporate Debtor as a going concern.

4. The Applicant has filed its Rejoinder on 17.09.2025 stating the follows:

   i. It is submitted that the Applicant has sought reliefs and concessions essential for the effective continuation of the business operations of the Corporate Debtor as a going concern. The Liquidator, in his Reply, has concurred with certain requests and observations made by the Applicant and has indicated no objection to the grant of such reliefs, subject to statutory compliance and approval of this Tribunal.

   ii. With regard to the proposed post-acquisition shareholding structure of the Corporate Debtor, it is submitted that the same stands as follows:

      a) *Sharma Sunshine Estates LLP* – 51%, and
      b) *Greydune Infra Private Limited* – 49%.

   The details of the partners of Sharma Sunshine Estates LLP have been furnished, namely *Mr. Sunil Kumar Sharma* (DIN: 09344167) and *Mr. Santosh Sharma* (DIN: 09344168), both of whom are the beneficial owners of the LLP.

   iii. The Liquidator had directed that the incoming shareholders should furnish duly sworn affidavits affirming their eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016 ("the Code"). The Applicant submits that such affidavits have already been executed and furnished both by the Applicant and by the partners of Sharma Sunshine Estates LLP in compliance with the said requirement. These affidavits are collectively produced as *Document No. 1 Colly*, and the same may be treated as full compliance with the Liquidator's directions.

iv. In relation to the operation of bank accounts, the Liquidator has observed that the existing liquidation account cannot be handed over, as it is being maintained solely for liquidation purposes. The Applicant submits that it has not sought control over the said liquidation bank account, but only requested facilitation to open a regular current account in the name of the Corporate Debtor for carrying out necessary business transactions connected with Block 1 of the e-auction titled "Sale of Samruddhi Realty Limited as a Going Concern." The Applicant submits that such an arrangement is necessary to ensure seamless business continuity and effective management of funds related to ongoing operations.

v. It is also noted that the Liquidator has expressly stated in his Reply that he has no objection to the reliefs sought by the Applicant, provided that the same are subject to necessary approvals and compliance with law. The Applicant has already undertaken to secure all such approvals and comply with applicable statutory requirements. The Applicant accordingly reiterates that all actions and documents required under the Code, including affidavits under Section 29A, have been duly completed, and the cooperation of the Liquidator is sought only to facilitate operational aspects necessary for the revival and continuation of the Corporate Debtor as a going concern.

5. Heard Learned Counsels for the parties and carefully perused the material on record.

6. It is understood that the Applicant seeks approval of certain consequential reliefs and concessions arising out of the sale of the Corporate Debtor as a going concern pursuant to the e-auction conducted on 01.02.2025 and the Sale Certificate issued on 28.05.2025. The Liquidator has expressed no objection to the grant of reliefs sought, subject to compliance with statutory requirements and directions of this Tribunal. The issues that arise for consideration are:

i. Whether the sale of the Corporate Debtor as a going concern under Regulation 32A stands validly concluded;

ii. Whether the Applicant satisfies the eligibility conditions under Section 29A of the Code;

iii. Whether the Authority recognize the transaction on a clean-slate basis free from past liabilities; and

iv. To what extent the reliefs prayed for maybe granted within the jurisdiction conferred by Section 60(5)(c).

7. The Insolvency and Bankruptcy Code, 2016 marks a paradigm shift in insolvency law by prioritizing business revival over mere asset liquidation. Under Section 60(5)(c), the Adjudicating Authority is vested with broad jurisdiction to adjudicate all matters relating to insolvency and liquidation, enabling it to grant comprehensive reliefs necessary to fulfill the objectives of the Code. Regulation 32A of the Liquidation Process Regulations further reinforces this intent by recognizing the sale of a corporate debtor as a going concern as a preferred mode of resolution, aimed at maximizing value, preserving employment, and protecting stakeholder interests. The principle underlying such a sale is that, upon transfer as a going concern, the entity stands cleansed of past debts and defaults, except where exceptions based on fraud or public policy apply. Regulation 32A(3) explicitly provides for the continuation of the corporate debtor's business along with the transfer of all its assets, contracts, licenses, and approvals. Accordingly, the Authority, exercising its residuary jurisdiction under Section 60(5)(c), is empowered to pass appropriate orders to effectuate such a sale and ensure continuity of business operations.

8. The record establishes that the Applicant has paid the entire sale consideration of Rs.24,92,91,682/-, including interest and was issued a Sale Certificate dated 28.05.2025. Affidavits of eligibility under Section 29-A have been filed by Greydune Infra Private Limited, Sharma Sunshine Estates LLP and its partners Mr Sunil Kumar Sharma and Mr Santosh Sharma. The Liquidator has verified the same and raised no objection. The statutory condition under Section 29-A is therefore satisfied.

9. The legal fiction of a "clean slate" upon sale of a corporate debtor as a going concern has been firmly upheld by judicial precedents. In ***Bank of Baroda v.***

Topworth Pipes & Tubes Pvt. Ltd. **(NCLT Mumbai, 2021)**, it was categorically held that post-sale, the corporate debtor continues unencumbered by pre-acquisition liabilities, with such obligations extinguished in accordance with the waterfall mechanism under Section 53 of the Code. Similarly, in ***Dr. Devaiah Pagidipati v. Southern Online Bio Technologies Ltd.*** (NCLT Hyderabad, 2019), the Tribunal recognized that the acquirer is entitled to all necessary reliefs to operate the revived entity, provided statutory compliances are maintained. The Hon'ble Supreme Court in ***Ghanshyam Mishra & Sons Pvt. Ltd. v. Edelweiss ARC*** **[(2021) 9 SCC 657]** and ***Committee of Creditors of Essar Steel India Ltd. v. Satish Gupta*** **[(2020) 8 SCC 531]** authoritatively affirmed that, once a resolution plan—or by necessary extension, a sale as a going concern under liquidation—is approved, all prior claims, statutory dues, and liabilities stand extinguished, barring those preserved on grounds of fraud or criminal breach. This principle has been consistently reiterated across multiple NCLT decisions, including ***Nitin Jain v. Lucky Holdings Pvt. Ltd.*** (NCLT Ahmedabad, 2020), ensuring that the acquirer obtains the entity free from historical encumbrances. Applying these settled principles to the present case, the corporate debtor must be treated as continuing on a clean-slate basis, with all pre-liquidation liabilities to be resolved strictly in accordance with the distribution hierarchy prescribed under Section 53 of the Code.

10. The proposed Shareholding pattern – 51% in favor of Sharma Sunshine Estates LLP and 49% in favor of Greydune Infra Private Limited is in conformity with the provisions of the Companies Act, 2013, and aligned with judicial precedents permitting reconstitution of share capital post-sale (Bank of Baroda v. Tapworth Pipes & Tubes Pvt. Ltd., supra). The extinguishment of existing equity and issuance of fresh shares to the Successful Bidder are therefore permissible, subject to statutory filings with the Registrar of Companies and compliance with Section 61 and 62 of the Companies Act, 2013. Upon completion of the sale, the board of directors shall be duly reconstituted in accordance with law to reflect the new management structure.

11. Revival of the corporate debtor as a going concern necessitates restoration of its "active" status on the records of the Registrar of Companies, along with continuation and renewal of all necessary consents, licences and approvals required for operational continuity. Judicial precedent mandates that statutory and regulatory authorities facilitate post-acquisition compliance without attributing past non-compliances or historical defaults to the acquirer, provided the new management adheres to current legal requirements. Such restoration ensures that the entity remains functional and capable of fulfilling its business objectives under the new ownership.

12. Regulation 46 of the IBBI (Liquidation Process) Regulations, 2016 empowers the Liquidator to operate bank accounts during liquidation. Following completion of the sale, the purchaser may open a new operational bank account for ongoing business transactions, while the liquidation account remains active solely for closure-related activities. The Applicant's request to open a regular current account for operational purposes is reasonable, consistent with established practice, and essential for ensuring seamless business continuity post-acquisition.

13. Extinguishment of all financial, governmental, and regulatory claims is fundamental to achieving genuine revival and attracting credible bidders willing to inject value. This principle is firmly rooted in the Insolvency and Bankruptcy Code and reinforced by judicial precedents including ***Committee of Creditors of Essar Steel India Ltd. v. Satish Gupta*** **[(2020) 8 SCC 531]** and ***Ghanshyam Mishra & Sons Pvt. Ltd. v. Edelweiss ARC*** **[(2021) 9 SCC 657],** which establish that, upon approval of a resolution plan or sale as a going concern, all prior liabilities and claims stand extinguished except those explicitly preserved by law. Consequently, all financial creditors, regulatory authorities, and tax departments are bound to recognize the transfer as effectuating a "clean slate," with pre-acquisition dues being addressed exclusively through the waterfall mechanism under Section 53 of the Code.

14. While the principle of business continuity upon going-concern sale is recognized, the restoration or renewal of external approvals—such as municipal licences, RERA registrations, or tax concessions—fall within the jurisdiction of the

respective statutory authorities. Accordingly, the Applicant is at liberty to approach such authorities for necessary approvals or renewals, and the concerned departments shall consider such requests in accordance with law, bearing in mind the continuance of the corporate debtor as a going concern under new management.

15. The law permits reasonable steps for financial statement adjustments and asset realization at practical values, including waiver of penalties and interest on pre-acquisition defaults, to facilitate smooth transition and genuine revival. Further, the benefit of carrying forward tax losses under Section 79 of the Income Tax Act, 1961, as recognized by NCLT Hyderabad, may be availed where applicable, incentivizing continuity of business operations. However, exemptions from statutory levies such as stamp duties, registration charges, or governmental fees can only be granted as per statutory provisions or notified government policies, as against all-encompassing order, as has been urged, of this Authority.

16. The establishment of Project Monitoring Committees, chaired by the Liquidator and comprising representatives of home-buyers and the Successful Bidder, ensures transparency, accountability, and alignment with the Code's objective of value maximization. These committees shall remain in operation until the completion of ongoing projects or satisfaction of home-buyers' claims, after which they shall stand dissolved. The continued execution of development agreements, realization of receivables, and completion of projects by the Applicant are essential for preserving stakeholder value and fulfilling contractual and statutory obligations. Coordination among the Liquidator, the Applicant, and relevant authorities is therefore crucial to ensure a seamless transition and continued support for project completion.

17. Notwithstanding the reliefs and extinguishments granted herein, the Tribunal is bound to uphold public policy and legal integrity. Consequently, proceedings or liabilities arising from fraud, wilful default, criminal offences, or serious regulatory violations affecting public interest shall continue to subsist and be dealt with in accordance with law. The clean-slate principle and reliefs granted under the

Code cannot be invoked to shield or condone acts that are fraudulent or contrary to public policy.

18. As a consequence, to the above discussions and having been satisfied with the need for smooth transfer of assets of the Corporate Debtor sold as a going concern, **Issues No. 1 to 3** raised in para 6 above are answered in affirmative and following order is passed keeping in view the provisions of Section 60(5) of the Code read with Rule 11 of the NCLT Rules, 2016 and above stated judicial precedents in respect of **Issue No. 4** where we deal with several reliefs and concessions claimed by the Applicant as under:

    i. The reliefs sought in prayer clauses (1), (2), (4), (6), (8), (10), (17), (18), (22), (28), (30), (33), (34), (36), (37) are allowed and shall be dealt with as per the provisions of IBC and applicable laws.

    ii. The relief sought in prayer clause (7) relating to direct the Liquidator to handover all the bank accounts of the Corporate Debtor to the Applicant shall not be allowed.

    iii. The relief sought in prayer clauses (11), (12), (13), (15), (25), (26), (27), (31), (32), (35) shall be dealt by the requisite Authority independently subject to their statutory provisions.

    iv. The relief sought in prayer clause (3) is allowed to the extent of declaring that the Corporate Debtor is on a clean slate basis and all liabilities prior to the date of acquisition are extinguished. However, pending inquiries, investigations, litigations, arbitrations, or other proceedings shall be dealt with by the respective Courts, Tribunals and Authorities independently subject to their jurisdiction and recognizing the going concern sale.

    v. The relief sought in prayer clause (5) is allowed to the extent that the Corporate Debtor shall be treated on a clean slate basis as on and from the date of acquisition. All non-compliances, violations and defaults stand extinguished. However, the respective statutory authorities shall deal with any regulatory actions independently subject to their statutory provisions and recognizing the going concern sale

    vi. The relief sought in prayer clause (9) is allowed declaring that all licenses, approvals, consents shall continue without disruption for maintaining the

Corporate Debtor as a going concern. However, specific continuation, renewal or revalidation shall be dealt with by the requisite licensing authorities independently subject to their statutory provisions and current compliance requirements.

vii. The relief sought in prayer clause (14) is allowed declaring that the Applicant shall be treated as the new promoter and developer and the Corporate Debtor is on a clean slate basis. The Applicant shall not be held liable for penalties or actions of erstwhile management. However, any regulatory actions shall be dealt with independently subject to their statutory provisions while recognizing the change in management and going concern sale.

viii. The relief sought in prayer clause (16) is allowed to the extent that the Corporate Debtor is on a clean slate basis and the Applicant shall not be held liable for past defaults or non-compliances under RERA attributable to erstwhile management. However, any regulatory actions by KRERA shall be dealt with by KRERA independently subject to RERA Act and rules, while recognizing the change in management and ownership

ix. The relief sought in prayer clause (19) is allowed to the extent of permitting the Corporate Debtor to write back the extinguished liabilities and prepare and file financial statements with the Registrar of Companies. However, the waiver of penalties, interest or late fees shall be dealt with by the Registrar of Companies, Income Tax Authorities and GST Authorities independently subject to their respective statutory provisions.

x. The relief sought in prayer clause (20) is allowed declaring that all non-compliances, breaches, defaults, and violations prior to the Sale Certificate date stand extinguished as part of the clean slate principle. However, statutory authorities shall deal with their regulatory actions independently subject to their statutory provisions while recognizing the going concern sale and change in management.

xi. The relief sought in prayer clause (21) is allowed to the extent of permitting the Corporate Debtor to file Financial Statements and Returns with the Registrar of Companies with appropriate disclaimers and explanatory notes regarding the clean slate treatment. However, the waiver of interest, penalty or damages shall be dealt with by the Registrar of Companies independently subject to applicable provisions.

xii. The relief sought in prayer clause (23) is allowed to the extent of permitting the Corporate Debtor to apply for delisting from the Bombay Stock Exchange and conversion to a private limited company. However, the delisting process, conversion approvals, and waiver of penalties shall be dealt with by BSE, SEBI, and the Registrar of Companies independently subject to applicable regulations.

xiii. The relief sought in prayer clause (24) is allowed to the extent of directing that regulatory authorities consider all applications for conversion, delisting and regulatory permissions expeditiously recognizing that the Corporate Debtor has been sold as a going concern under liquidation. However, the grant of approvals and waiver of penalties shall be dealt with by SEBI, BSE, and the Registrar of Companies independently subject to their respective statutory provisions.

xiv. The relief sought in prayer clause (29) is allowed to the extent that the successful bid and sale as a going concern shall be accorded treatment akin to an approved resolution plan under the Insolvency and Bankruptcy Code, 2016 for purposes of clean slate and extinguishment of liabilities. However, the aspect relating to Section 79 of the Income Tax Act, 1961 shall be dealt with by the Income Tax Department independently subject to statutory provisions.

19. Accordingly, the **I.A. No. 676 of 2025** filed by the Applicant is **allowed and disposed of**.

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA **MEMBER (TECHNICAL)**	**SUNIL KUMAR AGGARWAL** **MEMBER (JUDICIAL)**