S.No.02

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
20.11.2026 AT 10:30 A.M.

IA (IBC) 131/2026 in
CP (IB) No.132/7/HDB/2019
U/s 7 of IBC

IN THE MATTER OF:
State Bank of India

…Petitioner/s

Vs

ICSA (India) 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) 131/2026

Present: Mr.Anshit Agarwal, and Mr.Srikanth Rathi, Ld.Counsels for the Petitioner.

Mr.Shreya Kak, Ld.Counsel for the Petitioner.

Orders pronounced, recorded vide separate sheets.

In the result, this application is partly Allowed.

-sd-
MEMBER(T)

-sd-
MEMBER(J)

pavani

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH, COURT-II

I.A (IBC) No. 131 of 2026

IN

C.P (IB) No. 132/7/HDB/2019

[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of NCLT Rules]

IN THE MATTER OF M/s. STATE BANK OF INDIA. vs. I.C.S.A (India) Ltd.

Between:

M/s. I.C.S.A (India) Ltd.

Represented by Director,

Plot No. 144, Sy. No. 261, Shivpuri Colony,

Shivalayam Temple, Puppalaguda, RR Dist.,

HYD- 500089.

.....Applicant

AND

1. **National Stock Exchange of India Ltd.,**
   Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051.

.....Respondent No. 1

2. **BSE Limited,**
   Phiroze Jeejeebhoy Towers, Dalal Street,
   Mumbai- 400001

.....Respondent No. 2

3. **Central Depository Limited**,
   Marathon Futurex, A-Wing, 25th Floor,
   NM Joshi Marg, B-Lower Parel,
   Mumbai-400013

.....Respondent No. 3

4. **National Securities Depository Limited**,

301, 3rd Floor, Naman Chambers, Plot C-32,
G-Block, Bandra Kurla Complex, Bandra (E),
Mumbai-400051.

.....Respondent No. 4

Date of Order: 20.11.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For Applicant : Mr. Srikanth Rathi, Ld. Counsel

For Respondent No. 1 : Ms. Devina Bhandari, Ld. Counsel

For Respondent No. 2 : Ms. Soujanya Ramaswamy, Ld. Counsel

For Respondent No. 3 : Ms. Vidhi Sharma, Ld. Counsel

For Respondent No. 4 : None Appeared

1. The present Application is filed the Successful Resolution Application of M/s. I.C.S.A (India) Limited, seeking certain reliefs and concessions after the completion of Corporate Insolvency Resolution Process against the Respondents.

Application

2. M/s. I.C.S.A. (India) Limited **(Corporate Debtor/CD/Applicant)** was admitted into the Corporate Insolvency Resolution Process (CIRP) vide order dated 21.10.2019 in C.P. (IB) No. 132/7/HDB/2019. Subsequently, vide order dated 18.08.2020, liquidation proceedings were initiated against the CD. During the liquidation process, the Liquidator conducted an e-auction for the sale of the Corporate Debtor on a standalone basis, including its name, brand value, goodwill and all intangible assets associated with its corporate identity.

3. In the said e-auction process, Sri Byndla Srinivas participated and emerged as the Successful Bidder. This Authority approved the sale in his favour, pursuant to which the Liquidator issued a Sale Certificate under Regulation 35 of the Liquidation Regulations, thereby transferring the name, brand value, goodwill and all associated intangible rights of the CD to the Successful Bidder.

4. The Successful Bidder filed I.A. (IBC) No. 1292/HYD/2022 seeking various reliefs and concessions. This Authority, vide order dated 15.12.2022, allowed the said Application and granted the reliefs and concessions sought therein. By virtue of the sale, the Applicant claims to have acquired all rights of the CD, including the right to carry on business and seek restoration, relisting or continuation of the Company's status before statutory authorities, stock exchanges and depositories, as the case may be. Accordingly, the Applicant claims to be vested with the requisite legal standing to approach this Authority for appropriate directions, including relisting of the Company's equity shares, to give full effect to the Sale Certificate issued during the liquidation proceedings.

5. The Applicant made several representations, including through emails and formal letters, to the Respondents seeking relisting of the equity shares of the CD. However, the Respondents neither acted upon nor responded to the said representations. It is submitted that the CD was previously listed on the National Stock Exchange and the Bombay Stock Exchange and that, in terms of Regulation 21(1)(a) of the SEBI (Delisting of Equity Shares) Regulations, 2021, where an entity is sold as a going concern under liquidation, the pre-CIRP shareholding structure ceases to have legal or beneficial effect and a fresh capital structure is required to be approved by this Authority for revival and relisting.

6. The BSE sought directions from this Authority for extinguishment of the pre-CIRP share capital held by both the promoters and public shareholders as a precondition for considering the application for relisting the equity shares of the CD. Further, in the absence of such extinguishment, CDSL and NSDL are unable to cancel the ISIN-linked holdings of the pre-CIRP shareholders or activate the new capital structure, thereby rendering the liquidation sale ineffective and defeating its commercial purpose. Without relisting, the Applicant is unable to operationalise the Company, undertake statutory filings or restore its normal operations. Hence, the present Application is filed seeking the following reliefs:

   i. *Declare that the entire pre-CIRP/liquidation equity share capital of the Corporate Debtor, including 100% of the shares held by the erstwhile Promoters and Promoter Group, stands extinguished with effect from the Insolvency Commencement Date (21.10.2019) and that such shareholders shall have no claim legal, equitable, or beneficial over the restructured entity or its new share capital:*

   ii. *Direct that 95% of equity shares held by public shareholders as is required to be extinguished to give effect to the new capital structure proposed by the Successful Bidder (and in compliance with SEBI listing and delisting norms) shall also stand extinguished ipso facto, without any right of reinstatement, compensation, or claim against the Corporate Debtor, the Successful Bidder, or the Liquidator.*

   iii. *Declare that the extinguishment of the aforesaid share capital shall not attract any liability under the Companies Act, 2013, SEBI Regulations, or any other law, given that it arises solely from the statutory process under the IBC and is protected by the non-obstante clause under Section 238 of the IBC;*

   iv. *Direct the Respondent Depositories (CDSL and NSDL) to cancel all pre-CIRP demat holdings, and enable issuance of a fresh ISIN (if required) corresponding to the new share capital structure approved by this Hon'ble Tribunal.*

v. *Direct the Stock Exchanges (Respondent Nos. 1 & 2) to treat the Corporate Debtor as a freshly listed entity under the restructured capital, and not insist on continuity of pre-CIRP shareholder records or impose any delisting-related penalties, fees, or compliance burdens arising from defaults of the erstwhile management.*

vi. *Approve the proposal of the Successful Bidder, either directly or through its Associates, to acquire 75% (Seventy-Five Percent) of the equity share capital of the Corporate Debtor as part of the restructured share capital, in accordance with the Resolution Plan.*

vii. *Approve the reduction and reorganization of the share capital of the Corporate Debtor and the consequent allotment of the remaining 25% (Twenty-Five Percent) of the equity share capital to strategic/financial investors along with existing non-promoter shareholders (public shareholders), in terms of the Resolution Plan.*

viii. *Permit and approve the listing and trading of the equity shares of the Corporate Debtor on recognized stock exchange(s), in accordance with applicable laws and regulations.*

ix. *Direct Respondent Nos. 1 and 2 (Stock Exchanges) not to insist upon, demand, or levy any fines, penalties, fees, arrears, or charges of any nature arising from acts, omissions, or non-compliances committed by the erstwhile management of the Corporate Debtor prior to the Insolvency Commencement Date.*

x. *Declare that any delisting orders, notices, or communications issued against the Corporate Debtor prior to CIRP/liquidation arising from acts of the erstwhile management shall stand inoperative and unenforceable against the Applicant, to the extent that they impede re-listing or revival of the entity.*

xi. *Direct the Registrar of Companies. Telangana, and/or any concerned Registrar of Companies under the Ministry of Corporate Affairs, to:*

a) *give effect to the extinguishment of the entire pre-CIRP/liquidation equity share capital of the Corporate Debtor, including 100% of the shares held by the erstwhile Promoters and such portion of public shareholding as stands extinguished by virtue of the liquidation sale under the IBC:*

b) record and register the restructured equity share capital of the Corporate Debtor as approved by this Hon'ble Tribunal. comprising 75% held by the Successful Bidder (or its nominees) and 25% held by fresh allottees/public investors, in compliance with SEBI's minimum public shareholding norms:

c) update the Register of Members, Return of Allotment (Form PAS-3), and Annual Returns accordingly, and reflect the new capital structure in the MCA21 registry without insisting on any filings, fees, penalties, or compliances pertaining to the pre-CIRP period; and

d) treat the restructured capital as effective from the date of this Hon'ble Tribunal's order. with full statutory validity under Sections 61 and 66 of the Companies Act. 2013 read with Section 238 of the Insolvency and Bankruptcy Code, 2016.

xii. Direct the Respondents to reclassify the erstwhile Promoters as Public category and the Successful Bidder as Promoter of the Corporate Debtor.

Counter by Respondent No.1/ R1/NSE

7. It is submitted that R1, vide Circular Ref. No. 0813/2019 (Download Ref. No. NSE/CML/42179) dated 19.09.2019, published on its official website, notified that, due to non-compliance with Regulation 31 (Submission of Shareholding Pattern) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) for two consecutive quarters, i.e., 31.03.2019 and 30.06.2019, trading in the securities of the CD would be suspended with effect from 11.10.2019. Thereafter, vide Circular Ref. No. 0936/2021 (Download Ref. No. NSE/CML/49429) dated 27.08.2021, it reiterated that the securities of the CD were liable for suspension on account of the liquidation order **(Annexure B of R1's Counter)**.

8. It It is submitted that the CD continued to remain a listed entity, although trading in its securities was suspended, and that it was liable to pay Annual Listing Fees (ALF) accruing during the liquidation period. Accordingly, ALF invoices were raised annually on 01.04.2021,

01.04.2022, 01.04.2023, 01.04.2024 and 01.04.2025 **(Annexure C of R1's Counter)**.

9. It is submitted that R2 submitted its claim before the Liquidator in Form C for a sum of Rs. 41,13,636/- as on 25.08.2021, towards fines imposed and non-payment of annual listing fees. However, the claim of R2 remained unaddressed (Annexure D of R1's Counter).

10. It is submitted that, upon a perusal of the e-auction notice dated 22.08.2022 and the Sale Certificate issued in favour of the Successful Bidder, it is evident that the e-auction was conducted solely for the sale of the "Company Name/Goodwill on going concern basis" **(Annexure F of R1's Counter)**. Further, this Authority, vide order dated 15.12.2022 in I.A. No. 1292 of 2022, granted limited reliefs, observing that, since the sale was purportedly undertaken as a going concern, the Applicant shall not be saddled with liabilities existing prior to the effective date. However, the present Application seeks reliefs and concessions by circumventing the regulatory requirements under the applicable securities laws.

11. It is submitted that the impugned sale falls within the category of a piecemeal sale of assets on a standalone basis, which is ex facie contrary to the scheme of Regulations 32(e) and 32(f) of the Liquidation Regulations and reflects a fundamental misapplication of law. In this regard, R1 relied upon the decision of the Hon'ble NCLT, Chennai in M.S. Viswanathan v. Pixtronic Global Technologies Pvt. Ltd., I.A. Nos. 1215/CHE/2021 and 1280/CHE/2021 in C.P. No. 699/JB/2017, wherein it was held that a going-concern sale contemplates a holistic and indivisible transfer of the business undertaking, comprising assets, liabilities, contracts, licences and all operational components, so as to ensure seamless continuity of business.

12. Under It is submitted that under Regulation 32(e) of the Liquidation Regulations, the Corporate Debtor is sold without dissolution, involving the transfer of its business, assets, liabilities, contracts, licences and other rights to the acquirer. On the other hand, Regulation 32(f) contemplates the sale of the entire business along with its assets and liabilities, followed by dissolution of the Corporate Debtor. The remaining assets, which do not form part of the business sale, are liquidated separately.

13. It is averred that the goodwill and corporate name, by themselves, cannot constitute either the Corporate Debtor or its business within the meaning of Regulations 32(e) or 32(f) of the Liquidation Regulations. The impugned transaction falls under Regulation 32(a) of the Liquidation Regulations, which is also evident from the Liquidator's e-auction notice dated 19.02.2022, whereby assets such as land and a Benz car were auctioned independently on a piecemeal basis. Thus, the Applicant cannot impermissibly recharacterise an isolated sale of the name and goodwill of the CD as a sale of the Corporate Debtor/business as a going concern.

14. It is further averred that the Successful Bidder has failed to establish any right, title or interest in the equity shares of the CD. Further, neither the business nor the assets and liabilities of the CD were sold to the Successful Bidder, nor has he acquired any such rights. The Successful Bidder has merely purchased an asset belonging to the CD and, therefore, lacks locus standi to seek the reliefs prayed for.

15. It is submitted that the Successful Bidder acquired only the intangible assets, namely, the goodwill and name of the CD, which is now merely a shell entity purportedly comprising its brand reputation, customer base,

intellectual property rights and technology, while its other assets were liquidated separately in favour of third parties.

16. It is averred that the present Application is liable to be dismissed for non-joinder of the Liquidator. This Authority, vide order dated 07.02.2026 in I.A. No. 215 of 2023, allowed closure of the liquidation proceedings under Regulation 45(3)(a) of the Liquidation Regulations. However, the impugned sale was not a going-concern sale under Regulation 32(e) of the Liquidation Regulations and falls under Regulation 45(3)(b). Accordingly, the CD ought to have been dissolved.

17. It is further submitted that the Liquidator is the only competent person to explain the exact nature and scope of the sale, the basis on which closure of liquidation was sought under Regulation 45(3)(a), and the reasons for not pursuing dissolution of the CD under Regulation 45(3)(b).

18. It is submitted that this Authority lacks jurisdiction under Section 60(5) of the Code to grant the reliefs and sweeping directions sought against NSE, as such reliefs disregard the applicable securities law framework. The relevant Regulations mandate compliance to ensure transparency, fairness and efficiency in the capital markets.

19. It is further submitted that, in respect of decisions taken by NSE, Section 23L of the Securities Contracts (Regulation) Act, 1956 (SCRA) provides for an appeal against orders of stock exchanges. R1 relied upon the decision of the Hon'ble Supreme Court in **Embassy Property Developments Pvt. Ltd. v. State of Karnataka & Ors., (2020) 13 SCC 308**, to contend that Section 60(5) of the Code cannot be invoked to bring within its ambit public law decisions taken by the Government or statutory authorities outside the insolvency resolution process. R1 also relied upon the decisions of the Hon'ble NCLAT in **Hazel Mercantile**

Limited & Ors. v. BSE Limited & Anr., I.A. No. 306(AHM)/2024 in C.P. (IB) No. 418/2018, and **Malay Mahanti & Ors. v. Pinakin Saha & Ors.,** I.A. No. 412/AHM/2022 in I.A. No. 275/AHM/2022.

20. It is submitted that sector-specific reliefs can be granted only by the concerned sectoral regulator and that granting such reliefs by this Authority would amount to a backdoor entry into the capital markets. In this regard, R1 relied upon the decisions of this Authority in **Rootfit Industries Ltd. & Anr. v. BSE Limited**, M.A. No. 373 of 2017 in C.P. (IB) No. 1055/2017, and the Ahmedabad Bench of the NCLT in **Arrhum Tradelink Pvt. Ltd. v. Shri Manoj Khattar, Liquidator of Vimal Oil & Foods Ltd.,** I.A. No. 685(AHM)/2025 in C.P. (IB) No. 135 of 2017, to contend that any grievance against the Stock Exchanges may be pursued before the Securities Appellate Tribunal (SAT) or other appropriate authority.

21. It is submitted that a sale as a going concern under the Liquidation Regulations is not equivalent to the approval of a Resolution Plan under CIRP. Approval of a Resolution Plan involves multi-stakeholder consultations and detailed consideration of the future viability of the CD, and is binding on all stakeholders. In contrast, a liquidation sale is a sale transaction without comparable scrutiny and stakeholder engagement. Further, the feasibility and viability of continuing the CD as a going concern are not considered in the same manner in a liquidation sale, and the decision rests with the Liquidator without requiring approval of this Authority.

22. It is submitted that, in the present case, the Successful Bidder acquired only the intellectual property rights, goodwill and name of the CD, while the CD continues to exist as a separate juristic entity. Therefore, the reliefs, waivers, concessions and exemptions sought by the Applicant are

beyond the scope of the powers of the Stock Exchanges and can be sought only by making an appropriate application to SEBI.

23. R1 relied upon the decision of the NCLT, Mumbai in **Shree Saibaba Sugars Limited v. Sachin Shriniwas Bhattad,** I.A. (IBC) No. 3463/MB/2024 in C.P. (IB) No. 1117/MB/2020, wherein it was held that equating an acquisition through liquidation with approval of a Resolution Plan would undermine the structured framework of the Code and incentivise circumvention of the CIRP. It is submitted that the Applicant cannot claim the benefit of the clean-slate principle or seek extinguishment of statutory liabilities arising from pre-liquidation non-compliances, particularly in the context of a standalone asset sale. Even otherwise, the clean-slate principle is limited in its scope and operates only to extinguish past liabilities of the CD; it does not dispense with or dilute the Successful Bidder's obligation to comply with applicable laws and regulatory requirements.

24. It is submitted that the order dated 15.12.2022 in I.A. No. 1292 of 2022 cannot be construed as granting a blanket exemption from regulatory compliance or as binding authorities who were not parties to those proceedings. The observations therein, including that “the Applicant is not to be saddled with the liabilities existing prior to the effective date”, must be read in the context of the said order and cannot be extended to override statutory obligations or bind third-party regulators.

Counter by Respondent No.2/ R2/BSE

25. It is submitted that, being a recognised stock exchange, BSE is responsible for monitoring compliance by listed companies with the LODR Regulations and other applicable laws. Its functions include imposing fines and penalties for specified non-compliances, freezing

promoters demat accounts and suspending trading in the securities of non-compliant entities.

26. It is submitted that the present Application falls outside the scope of the securities regulatory framework. The e-auction process document and Sale Certificate provide for the sale of the CD on a going-concern basis on an "as is where is", "as is what is", "whatever there is" and "no recourse" basis. However, there is nothing on record to confer locus upon the CD to seek a blanket order waiving its dues payable to R2 or revoking the suspension of trading.

27. The is submitted that the CD was listed in September 2008 and failed to comply with the applicable requirements for the two consecutive quarters ending March 2019 and June 2019, resulting in suspension of trading with effect from 11.10.2019 vide notice dated 19.09.2019 issued by BSE, in accordance with Circular No. SEBI/HO/CFD/CMD/CIRP/2018/77 dated 03.05.2018. However, neither the erstwhile management of the CD nor the RP or Liquidator took steps to rectify the non-compliances, and the suspension continues to date.

28. It is further submitted that trading in the shares of the CD was also suspended on account of non-payment of ALF on 03.03.2020. Vide notice dated 25.04.2024, R2 informed the CD that the suspension was on account of non-payment of ALF and that revocation would be subject to compliance with the prescribed procedures. Further, the outstanding fines levied on the CD under the SEBI SOP Circulars amount to Rs. 12,79,356/-, while the outstanding ALF amounts to Rs. 25,55,231/-.

29. It is averred that the CD has an appropriate remedy of approaching R2 by making the requisite application for reduction of share capital, issuance of fresh shares, waiver of fines and revocation of suspension.

Instead, the CD has filed the present Application to circumvent the applicable compliance requirements, amounting to an abuse of process of law. Further, the controversy falls outside the residuary jurisdiction of this Authority, as it arises under the independent statutory framework administered by SEBI and the LODR Regulations fall within the domain of public law.

30. R2 relied upon the decisions of the Hon'ble Supreme Court in **Kusum Ingots & Alloys v. Union of India & Anr., (2004) 6 SCC 254**, and in Dolphin Offshore Enterprises (India) Limited v. BSE Ltd., I.A. No. 5538/2023 in C.P. (IB) No. 4087(MB)/C-III/2018, to contend that a court may decline to exercise its jurisdiction where a more appropriate forum is available and that an applicant aggrieved by the actions of a stock exchange may be directed to pursue an appeal before the Hon'ble Securities Appellate Tribunal.

31. It is submitted that the residuary jurisdiction vested in this Authority as the Adjudicating Authority under the IBC is confined to questions of fact and law arising out of or in relation to the insolvency of the Corporate Debtor. In this regard, R2 relied upon the decisions of the Hon'ble Supreme Court in **Gujarat Urja Vikas Nigam Limited v. Amit Gupta & Ors., (2021) 7 SCC 209**, and **Embassy Property Developments Pvt. Ltd. v. State of Karnataka, 2019 SCC OnLine SC 1542**, wherein it was held that this Authority cannot be elevated to the status of a superior court exercising judicial review over administrative or regulatory actions.

32. It is further submitted that the present Application is barred by limitation, as BSE initiated action in the year 2019 and the CD was handed over to the Successful Bidder on 09.01.2023. Further, the Application proceeds on the erroneous assumption that the shares of the CD stood delisted, whereas R2 had merely suspended trading on account

of non-compliances and the Applicant has incorrectly equated suspension with delisting.

33. It is submitted that the reliefs sought are beyond the scope of the e-auction process documents and Sale Certificate. It is well settled that a Successful Bidder can seek only such waivers and concessions as are contemplated by the process document. In this regard, R2 relied upon **Jasamrit Designers Pvt. Ltd. v. Gian Chand Narang, Liquidator of Apex Buildsys, (2023) SCC OnLine NCLAT 334**, to contend that the Successful Bidder can approach this Authority only for reliefs and concessions consistent with the terms of the process document.

34. It is submitted that where an entity is purchased on an “as is where is”, “as is what is”, “whatever there is” and “no recourse” basis, the purchaser is deemed to have acquired the encumbrances arising from applicable statutory obligations. In support of this contention, R2 relied upon the decision of the Hon'ble Supreme Court in **K.C. Ninan v. Kerala State Electricity Board, (2023) SCC 431**, and the decision of the Hon'ble High Court of Calcutta in **Cotton Casuals India Private Limited & Ors. v. State of West Bengal & Ors., (2025) SCC OnLine Cal 8203**.

35. Further, upon perusal of pages 4, 5 and 9 of the process document, it is evident that there is no provision granting any exemption or relieving the Successful Bidder/Applicant, either wholly or partially, from the applicable requirements. The Applicant is required to fully comply with the Code and the related Regulations, while the definition of “applicable laws” includes all laws, regulations, rules and guidelines issued by any statutory authority.

36. It is submitted that the clean-slate principle is wholly misconceived and cannot be extended to circumvent mandatory securities law

requirements. Further, restructuring of the share capital and the consequential change in the shareholding pattern must be undertaken through the prescribed procedure and in compliance with the Minimum Public Shareholding (MPS) requirements under the SCRA read with the LODR Regulations.

37. It R2 relied upon the decisions of the NCLT, Mumbai in Roofit Industries Limited, dated 15.11.2017, and in **Shobha Limited and Sadashiv Lazman Jogalekar v. Pancard Clubs Limited**, C.P. Nos. 593 and 1085/I&BP/NCLT/MAH/2017, to contend that compliance with the securities regulations is mandatory and that the IBC does not provide any exemption therefrom. R2 also referred to **M/s. Adonis Electronics Pvt. Ltd. v. M/s. Saka Ltd.,** wherein the NCLT, New Delhi, observed that issuing such directions would amount to encroaching upon the functions of the Stock Exchange and accordingly disposed of the Application.

38. Further, R2 relied upon the decision of the NCLT, Ahmedabad in **Arrhum Tradelink Private Limited v. Shri Manoj Khattar,** C.P. (IB) No. 135 of 2017, wherein it was held that exemptions granted to Corporate Debtors under Resolution Plans cannot be extended to liquidation proceedings. R2 also referred to **Pankaj Kumar Tibrewal v. Baba Agro Food Ltd.,** wherein it was held that a Successful Bidder can seek only such reliefs as fall within the scope of the sale process document and cannot seek reliefs that are too elaborate or general in nature.

39. It is submitted that the Applicant has sought several directions against the Registrar of Companies (RoC), which is a necessary party to the proceedings. However, the Applicant has failed to implead the RoC as a Respondent.

40. In view of the above submissions, R2 submits that the present Application is liable to be dismissed.

Counter by Respondent No.3/ R3/CDSL

41. It is submitted that the role of R3 is limited to giving effect to corporate actions, including activation of a new International Securities Identification Number (ISIN), upon receipt of valid instructions, requisite corporate action forms and supporting documents from the issuer company and its Registrar and Transfer Agent (RTA), which, in the present case, is the CD. R3 neither determines nor adjudicates the rights or interests of any shareholder, promoter or member, nor does it decide matters relating to restructuring of share capital or extinguishment of shareholding.

42. It is averred that R3 cannot act suo motu in the absence of the prescribed corporate action request. The issuer company, either directly or through its RTA, is required to initiate the prescribed corporate action process for cancellation of the existing ISIN and activation of a fresh ISIN by submitting the requisite instructions and documents to R3.

43. It is submitted that R3 has no personal knowledge of the CIRP or liquidation proceedings of the CD and has been impleaded solely in its capacity as a statutory depository, without having any independent role in the transactions or events forming the subject matter of the present Application. The Applicant/CD has sought only one direction against R3, under prayer clause 4, namely, cancellation of the pre-CIRP demat holdings and issuance of a fresh ISIN corresponding to the new share capital structure of the CD.

44. It is submitted that the present Application proceeds on the erroneous assumption that R3 has declined or delayed cancellation of the pre-CIRP demat holdings or issuance of a fresh ISIN. R3 has neither rejected nor refused any such request. In the absence of a valid corporate action request, accompanied by the requisite forms, instructions and supporting documents from the issuer company/RTA, no occasion has arisen for R3 to process or decline the proposed corporate action. Further, no corporate action request from the issuer company is presently pending before R3.

45. It is submitted that the existing equity ISIN of the CD continues to remain active in the records of R3 and the dematerialised holdings continue under the said ISIN. Further, R3 neither determines nor adjudicates whether the pre-CIRP equity share capital of the CD stands extinguished or whether a fresh ISIN ought to be issued. Such matters are required to be determined by the competent authority and, upon receipt of a valid corporate action request, R3 shall process the same in accordance with the applicable SEBI framework.

46. It is submitted that R3 does not take any position on the merits of the substantive reliefs sought by the Applicant/CD. R3 shall abide by the lawful orders and directions passed by this Authority and, subject to receipt of the requisite corporate action forms, supporting documents and valid instructions from the issuer company/RTA, shall process the consequential corporate action in accordance with applicable law.

<u>Rejoinder to Counter by R1 & 2</u>

47. It is submitted that the contention of R1 that the liquidation resulted only in a piecemeal sale under Regulation 32(a) of the IBBI (Liquidation Process) Regulations, 2016, is contrary to the record and the orders passed by this Authority. The Liquidator had filed I.A. No. 215 of 2023

seeking closure of the liquidation proceedings, wherein this Authority, vide order dated 07.02.2023, made the following observation:

> **"It is evident that the Liquidator has sold the Corporate Debtor as a going concern. As such, it is a fit case for closure of liquidation process."**
>
> **Accordingly, the liquidation process was closed under Regulation 45(3)(a) of the IBBI (Liquidation Process) Regulations, 2016."**

48. It is, therefore, submitted that the Respondents cannot now contend that the CD was not sold as a going concern or seek to recharacterise the nature of the sale. Further, the reliance placed on **Embassy Property Developments Pvt. Ltd. v. State of Karnataka** is misconceived, as the Hon'ble Supreme Court held that the Adjudicating Authority under the IBC cannot exercise judicial review over an independent public law decision of a statutory authority.

49. It is submitted that the present Application neither seeks judicial review of any regulatory action of SEBI or the Stock Exchanges nor challenges the validity of any provision of the SEBI Act, the Securities Contracts (Regulation) Rules, 1957, or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

50. It is submitted that the reliefs sought are purely consequential and are intended to give effect to the completed liquidation process. Section 60(5) of the IBC empowers this Authority to entertain and dispose of any question of priorities or any question of law or fact arising out of or in relation to the insolvency resolution or liquidation proceedings of the CD. Further, Section 238 of the IBC has overriding effect over anything inconsistent therewith contained in any other law.

51. It is averred that the ALF, SOP fines and other dues relate to the period prior to the liquidation sale, as admitted by R1. Therefore, R1 cannot insist upon payment of the same pre-liquidation dues as a condition for recognising the rights acquired by the Applicant. The Hon'ble Supreme Court in **Essar Steel India Ltd. v. Satish Kumar Gupta and Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.** has held that a successful acquirer is entitled to a clean slate and that claims not dealt with under the IBC cannot thereafter be enforced against the successful acquirer.

52. It is submitted that the contention of R2 that the present Application is premature, as no application was made to R2, is misconceived. The procedures and formats relied upon by R2 do not contemplate a situation where a listed Corporate Debtor has been sold as a going concern in liquidation. Further, the Applicant is not seeking fresh listing or exemption from the securities regulatory framework, but only directions recognising the change in shareholding and enabling consideration of restoration of trading in accordance with the orders passed by this Authority.

53. It is submitted that the insistence of R2 on compliance with the prescribed procedures does not address the present factual and legal situation. Further, making recognition of the Applicant's rights contingent upon payment of historical dues would frustrate the implementation of the completed liquidation process.

54. It is submitted that the reliance placed by R2 on the “as is where is”, “as is what is” and “whatever there is” clauses is misconceived, as such clauses govern the terms of sale and cannot override the legal consequences flowing from the liquidation proceedings. It is further submitted that the decisions in K.C. Ninan and Cotton Casuals India

Private Limited v. State of West Bengal, as well as the matters concerning LEEL Electricals Ltd. and EMI Transmission Ltd., were rendered in different factual contexts. According to the Applicant, those matters concerned successful applicants seeking exemptions or regulatory reliefs from SEBI, whereas the present Application seeks implementation of the completed liquidation process and consequential directions arising from the orders dated 15.12.2022 and 07.02.2023.

55. It is submitted that the objection of R2 regarding limitation is misconceived, as the cause of action for filing the present Application arose when the Respondents declined to give effect to the orders of this Authority dated 15.12.2022 and 07.02.2023. Further, the objections regarding non-joinder of the Liquidator and Registrar of Companies are merely technical. In this regard, the Applicant/CD has filed a separate Application seeking their impleadment to facilitate complete and effective adjudication.

56. It is submitted that the Applicant cannot be held responsible for non-compliances arising during the period prior to implementation of the completed liquidation process and the consequential orders passed by this Authority. Accordingly, the Applicant/CD cannot be saddled with ALF, SOP fines or other consequential charges. Further, the Respondents are not justified in insisting upon payment of such charges as a precondition for giving effect to the orders passed by this Authority.

Findings

57. We have heard the counsels of all the parties and perused the entire records.

58. M/s. ICSA (India) Limited (**Applicant/Corporate Debtor**) was admitted into CIRP vide order dated 21.10.2019. Later vide order dated

18.08.2020 in I.A (IBC) No. 579 of 2020, this Authority initiated Liquidation proceedings against the Applicant Company. During the process of the Liquidation, the Liquidator, Mr. Nethi Mallikarjuna Setty, issued e-auction process information document dated 11.03.2022 **(Annexure 3 of the Application),** inviting for bids for e-auction of assets of M/s. I.C.S.A (India) Limited in a standalone basis Sale under Regulation 32(b) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and under the provisions of Insolvency and Bankruptcy Code, 2016.

59. In the said liquidation process, Sri Byndla Srinivas emerged as the Successful Bidder. Accordingly, the Liquidator issued a Letter of Intent (LOI) dated 14.09.2022 **(Annexure 4a of the Application)**, requiring the Successful Bidder to make the requisite payments. Thereafter, the Liquidator issued a Sale Certificate dated 27.09.2022 **(Annexure 4b of the Application)**, recording that the name and goodwill of M/s. ICSA (India) Limited were sold on a going-concern basis, on "as is where is and wherever there is, without recourse" basis, in favour of the Successful Bidder. The Sale Certificate further records that the description of the assets sold was NIL as per the Balance Sheet dated 09.01.2023.

60. Further, the Liquidator handed over the documents relating to the Applicant Company to the Successful Bidder vide Memorandum of Handing Over of Charge of ICSA India Limited dated 13.02.2023. Thereafter, the Successful Bidder filed I.A. (IBC) No. 1292 of 2022 before this Authority seeking certain reliefs and concessions. This Authority, vide order dated 15.12.2022, allowed the said Application and granted certain reliefs and concessions in relation to the Applicant Company.

61. Subsequently, the Liquidator filed I.A. (IBC) No. 215 of 2023 seeking closure of the liquidation proceedings. This Authority, vide order dated

07.02.2023, observed that the Liquidator had sold the Corporate Debtor as a going concern and, accordingly, held that it was a fit case for closure of the liquidation process.

62. At this juncture, it is relevant to refer to Section 60(5)(c) of the IBC, which confers jurisdiction upon this Authority to entertain and dispose of any question of law or fact arising out of or in relation to the insolvency resolution or liquidation proceedings of the Corporate Debtor. The Hon'ble NCLAT, New Delhi, in **RMY Industries LLP v. Apple Industries Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 1114 of 2022**, has also recognised the jurisdiction of the Adjudicating Authority to consider applications concerning the terms and implementation of an auction sale, particularly where the Corporate Debtor has been sold as a going concern.

63. It is also pertinent to note that this Authority, vide order dated 15.12.2022 in I.A. (IBC) No. 1292 of 2022, had already granted reliefs in respect of the liabilities and dues of the Corporate Debtor pertaining to the period prior to the sale. The said order, inter alia, provided for the extinguishment of the liabilities and dues payable to ***creditors, statutory authorities and other third parties*** **(page 101 of the Application; Relief no. 3)**, whether admitted or not, due or contingent, disputed or undisputed, in relation to any period prior to the sale or arising on account of the acquisition of control by the Successful Bidder, subject to the terms of the said order. Further, the ***continuation of subsisting licences, approvals, consents, rights and entitlements of the Corporate Debtor was also addressed therein, subject to payment of applicable renewal fees, wherever required*** **(page 104 of the Application; Relief no. 7)**.

64. Thus, the protection sought in respect of liabilities pertaining to the period prior to the sale has already been substantially addressed by this Authority vide order dated 15.12.2022. The present Application, therefore, primarily requires consideration of the proposed extinguishment of the existing shareholding and the consequential reliefs relating to restructuring and restoration of listing and trading of the equity shares of the Corporate Debtor.

65. The Applicant seeks extinguishment of the entire pre-CIRP share capital of the Corporate Debtor, including the shares held by the erstwhile promoters and public shareholders, without consideration. Considering that the Corporate Debtor was sold as a going concern in liquidation and the liquidation proceedings were subsequently closed under Regulation 45(3)(a) of the IBBI (Liquidation Process) Regulations, 2016, extinguishment of the existing share capital is necessary to give effect to the acquisition and facilitate the administration of the Corporate Debtor by the Successful Bidder. Accordingly, the existing equity shares, including those held by the erstwhile promoters and public shareholders, shall stand extinguished without consideration, along with the rights and liabilities attached thereto.

66. As regards the other reliefs, the Applicant seeks directions for restoration of trading, cancellation of existing demat holdings, issuance of a fresh ISIN, recognition of a restructured shareholding pattern, approval of fresh allotments, waiver of listing fees and penalties, and treatment of the Corporate Debtor as a freshly listed entity. These matters are governed by the applicable securities laws and the regulatory framework administered by the competent statutory and regulatory authorities.

67. We also note that the Applicant has not approached Respondent Nos. 1 and 2, namely NSE and BSE, seeking consideration of the revocation of

suspension of trading in the equity shares of the Corporate Debtor. Further, Respondent No. 3/CDSL has submitted that it has neither rejected nor declined any request for cancellation of the existing ISIN or activation of a fresh ISIN, and that no corporate action request accompanied by the requisite documents has been received from the issuer company or its Registrar and Transfer Agent. Therefore, no occasion has arisen for issuing consequential directions against the Stock Exchanges or Depository.

68. Further, the Depository has clarified that it has neither rejected nor declined any request for cancellation or activation and that no corporate action request, along with the requisite documents, has been received from the issuer or its Registrar and Transfer Agent. In these circumstances, no direction can be issued to the Depository or the Stock Exchanges in the absence of the Applicant first following the prescribed procedure.

69. In view of the above, the reliefs relating to listing and trading of shares, including restoration of trading, issuance of a fresh ISIN, activation of demat accounts and other consequential corporate actions, fall within the domain of the Stock Exchanges, Depositories and other competent authorities. This Adjudicating Authority cannot direct such authorities to grant exemptions or dispense with applicable statutory and regulatory requirements. The Applicant is, therefore, at liberty to approach the concerned authorities for the reliefs sought, in accordance with law.

70. Thus, the following orders are passed:

(a) The existing shares of the Corporate Debtor (CD) shall be extinguished without any consideration, and all rights and liabilities associated with the shares shall be extinguished.

(b) The reliefs and concessions already granted in respect of liabilities and obligations pertaining to the period prior to the sale shall continue to be governed by the order dated 15.12.2022. No additional or wider exemption from any statutory or regulatory liability is granted by this order.

(c) The Applicant is at liberty to approach the concerned Stock Exchanges, Depositories and other competent statutory/regulatory authorities for the remaining reliefs sought in the present Application, in accordance with the applicable laws and regulations. The concerned authorities shall consider such requests in accordance with law.

With regard to any other concessions and reliefs sought by the Applicant under any other law, which are not specifically granted herein, the Applicant may approach the authority concerned who would consider such request under the applicable law keeping in view of Section 32A of IBC, 2016.

Accordingly, I.A. No. 131 of 2026 in C.P (IB) No.132/7/HDB/2019 is **partly allowed** subject to the observations made above.

Sd/-

SANJAY PURI

MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ

MEMBER (JUDICIAL)