

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**DIVISION BENCH, COURT – 1, AHMEDABAD**

ITEM No.301

IA(Liq.)Progress Report /54(AHM)2026  
in

C.P.(IB)/269(AHM)2023

**Under Regulation 15 of IBBI Section 60(5) of IBC r/w Rule 11 of NCLT Rules, 2016**

**IN THE MATTER OF:**

Akhil Ahuja Liquidator Of Honest Derivatives Pvt. Ltd

.....Applicant

ITEM No.302

IA/678(AHM)2026

in

C.P.(IB)/269(AHM)2023

**Under Section 60(5) IBC r/w Regulation 32 (e) and 32 A of the IBBI Regulation, 2016**  
**r/w Rule 11 of NCLT Rules, 2016**

**IN THE MATTER OF:**

Garden Court Distilleries Pvt. Ltd

.....Applicant

V/s

Akhil Ahuja Liquidator of Honest Derivatives Pvt. Ltd

.....Respondent

**Order delivered on: 17/06/2026**

**C O R A M:**

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

**ORDER**  
**(Hybrid Mode)**

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA  
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN  
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, COURT- I, AHMEDABAD**

**IA No. 678 of 2026  
with  
IA(Liq.) Progress Report No. 54 of 2026  
in  
CP (IB) No. 269 of 2023**

**IA No. 678 of 2026**

*(An application filed under Section 60(5) of the IBC, 2016 r.w. Regulation 32(e) and 32A of IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the NCLT Rules, 2016)*

**In the matter of:**

**GARDEN COURT DISTILLERIES PRIVATE LIMITED**

403, 4th Floor Raheja Plaza,  
Off. Veera Desai Road,  
Andheri (West), Mumbai – 400053

**.... Applicant/Successful Auction Purchaser**

***Versus***

**1. AKHIL AHUJA LIQUIDATOR  
OF HONEST DERIVATIVES PRIVATE LIMITED**

Floor No. 8, Flat No. 803,  
Chandak Cornerstone,  
David S Barretto Road, Worli,  
Mumbai, Maharashtra – 400018

**2. STATE BANK OF INDIA**

SAMB Branch III  
112,115, 1st Floor, Plot No.212,  
West Wing, Tulsiani Chambers,  
Free Press Journal Marg,  
Nariman Point, Mumbai – 400021

**.... Respondents**

**WITH**

**IA(Liq.) Progress Report No. 54 of 2026**

*(An Application filed under Regulation 15 of the IBBI (Liquidation Process) Regulations, 2016 r.w. Section 60(5) of the IBC, 2016 and with Rule 11 of the NCLT Rules, 2016.)*

**MR. AKHIL AHUJA, LIQUIDATOR  
OF M/S HONEST DERIVATIVES PRIVATE LIMITED**

Having Registration No:  
IBBI/IPA-001/IP-P-02072/2020-2021/13213,  
Having his address at:  
S-376, Panchshila Park, Panchsheel Enclave,  
South Delhi, New Delhi – 110017

**.... Applicant**

**Order Pronounced on: 17.06.2026**

**CORAM:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)  
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCE:**

For the Applicant : Mr. Manish Bhatt, Sr. Adv. a.w.  
: Mr. Tirth Nayak, Adv.  
(in IA No. 678 of 2026)  
: Mr. Rashesh Sanjanwala, Sr. Adv. a.w.  
: Ms. Kirti Kothari, Adv.  
(in IA(Liq.) Progress Report/54(AHM)2026)

For the Liquidator : Mr. Sumant Batra, Adv.

For the Respondent : Mr. Gaurav Raj Grover, Adv. for R-2

**COMMON ORDER**  
**(Per: Bench)**

1. This common order is being passed in the Interlocutory Application Bearing No. IA No. 678 of 2026 and another

application bearing no. IA(Liq.) Progress Report No. 54 of 2026 in the Company Petition CP(IB) No. 269 of 2023. Over the course of proceedings, these applications came to be filed by the parties, all arising out of or relating to the same set of facts and underlying issues. . In order to avoid duplicity of orders and in view of the common issues involved, this common order is being passed to dispose of the above-mentioned pending IAs.

**2. IA No. 678 of 2026** has been preferred by the Applicant Successful Auction Purchaser in relation to the Corporate Debtor purchased as a going concern during liquidation proceedings inter alia seeking following reliefs: -

- A. *allow the present application;*
- B. *grant all the reliefs, concessions, permissions as set out in Paragraph 24 of the present application;*
- C. *grant any other reliefs /concessions as this Tribunal may deem fit in the interest of justice;*
- D. *pass such further orders in favour of the Applicant as the Tribunal may deem fit and appropriate in the facts and circumstances of the present case.*

**3. IA(Liq.) Progress Report No. 54 of 2026** has been preferred by the Applicant Liquidator seeking following reliefs: -

- A. *Allow the present Interlocutory Application filed under Regulation 15 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016;*
- B. *Take on record the First Progress Report for the Quarter that ended on 31.12.2025 prepared by the Applicant herein i.e., the Liquidator of M/s Honest Derivatives Private Limited which is annexed with the present Application at Annexure A;*
- C. *grant any other relief(s) as it may deem fit in the interest of justice.*

**4.** Before proceeding to adjudicate upon the respective reliefs sought therein, it is considered appropriate to set out the relevant background in brief, to facilitate adjudication of the reliefs sought in both applications. The **facts** as presented by the Applicant in IA No. 1826 of 2024 are as under: -

4.1. It is the case of the Applicant that the Respondent No. 1/Liquidator issued a public notice dated 22.12.2025 in the Financial Express for sale of the Corporate Debtor, Honest Derivatives Private Limited, as a going concern during liquidation proceedings. It is submitted that the Corporate Debtor was admitted into CIRP pursuant to order dated 03.07.2024 passed in CP (IB) No. 269 of 2023 filed by State Bank of India under Section 7 of the Code and Mr. Harshad Deshpande was appointed as Interim Resolution Professional. A copy of the admission order has been placed on record as Exhibit "A".

- 4.2. It is further submitted that the Committee of Creditors was constituted on 31.07.2024. During the 11th meeting of the CoC held on 16.05.2025, the members resolved to liquidate the Corporate Debtor and further resolved that liquidation be first undertaken through sale of the Corporate Debtor as a going concern. It is stated that the CoC, however, did not approve appointment of Mr. Harshad Deshpande as Liquidator.
- 4.3. It is submitted that thereafter an application under Section 33 of the Code seeking liquidation of the Corporate Debtor was filed. During pendency of the said application, the 13th meeting of the CoC was conducted on 03.09.2025 wherein a resolution was passed appointing Mr. Akhil Ahuja as Liquidator of the Corporate Debtor and an additional affidavit was filed placing on record the minutes of the 13th CoC meeting together with the written consent of the proposed Liquidator.
- 4.4. It is further submitted that by order dated 10.10.2025 passed in IA (Liq.) No. 5 of 2025, this Adjudicating Authority ordered liquidation of the Corporate Debtor and appointed Respondent No.1 as Liquidator. According to the Applicant, the liquidation order specifically contemplated that sale of the Corporate Debtor would first be explored as a going concern. A copy of the liquidation order has been annexed as Exhibit "B".

- 4.5. It is stated that the Liquidator constituted the Stakeholders' Consultation Committee and, in its 2nd meeting held on 10.12.2025, the SCC approved sale of the Corporate Debtor as a going concern. Pursuant thereto, an auction notice dated 22.12.2025 was published in Financial Express scheduling e-auction on 08.01.2026.
- 4.6. It is submitted that the Applicant expressed its intention to participate in the auction process and accordingly submitted undertaking and declaration under Section 29A of the Code on 01.01.2026 along with the bid documents. It is further stated that the Applicant deposited Earnest Money Deposit of Rs. 3,05,00,000/- on 06.01.2026 in accordance with the auction process documents.
- 4.7. It is averred that the e-auction was conducted on 08.01.2026 and the Applicant submitted the highest bid of Rs. 30,60,00,000/- for acquisition of the Corporate Debtor as a going concern. The Applicant was declared as the successful bidder vide email dated 08.01.2026 issued by the Liquidator. The said communication also required payment of the entire consideration within 30 days, i.e. on or before 07.02.2026, failing which interest at 12% per annum would become payable in accordance with the auction terms. The said email is annexed as Exhibit "C".

- 4.8. It is further submitted that the Liquidator issued a Letter of Intent dated 09.01.2026 for sale of the Corporate Debtor as a going concern on “as is where is” basis. The Applicant accepted the terms and conditions of the LOI on 10.01.2026. The Letter of Acceptance has been annexed as Exhibit “D”.
- 4.9. It is stated that the Applicant paid the entire sale consideration of Rs. 30,60,00,000/- on 07.02.2026 and, upon receipt of the full consideration, the Liquidator issued Sale Certificate dated 09.02.2026 in favour of the Applicant. A copy of the Sale Certificate has been annexed as Exhibit “E”.
- 4.10. It is submitted that the Applicant has purchased the Corporate Debtor as a going concern under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016. According to the Applicant, mere transfer of ownership would not be sufficient for effective revival of the Corporate Debtor and therefore various consequential reliefs, concessions, relaxations and permissions are required for smooth conduct of the business as a going concern.
- 4.11. It is further submitted that unless such reliefs and concessions are granted, the very objective of revival of the Corporate Debtor as a going concern and value maximization contemplated under the Code would be defeated.

- 4.12. The Applicant has further stated that it had earlier filed IA No. 474 of 2026 which came to be listed on 30.03.2026. The said application was withdrawn in order to reconsider the reliefs and concessions sought in view of the amendments introduced in the IBBI Regulations and the observations made by this Adjudicating Authority. The order dated 30.03.2026 has been annexed as Exhibit "F".
- 4.13. It is submitted that upon obtaining legal advice, the Applicant was advised that the sale of the Corporate Debtor as a going concern had been undertaken pursuant to the liquidation order dated 10.10.2025 and the resolutions passed by the CoC and SCC prior to the amendment of the Regulations.
- 4.14. According to the Applicant, prior to the amendment there existed a specific statutory framework requiring consideration of sale of the Corporate Debtor as a going concern before resorting to other modes of sale. It is submitted that the CoC had exercised such option while the relevant provisions were in force and, therefore, the process had already commenced before the amendment.
- 4.15. It is further submitted that the liquidation order dated 10.10.2025 had specifically recorded the CoC resolution directing that sale of the Corporate Debtor be first explored as a going concern and such order

cannot be rendered otiose by reason of a subsequent amendment.

- 4.16. The Applicant has also submitted that it has applied for GST registration for revival of the Corporate Debtor. However, the GST Authorities have declined to process the application on the ground of pre-sale dues of the Corporate Debtor. Subsequently, by order dated 22.04.2026, the GST Authorities rejected the application for GST registration on account of past dues. The said order has been brought on record by way of Additional Affidavit and marked as Exhibit "A".
- 4.17. It is submitted that the amendment carried out in the Liquidation Regulations is prospective in nature and cannot affect transactions and processes which had already commenced before the amendment came into force. According to the Applicant, the process for sale of the Corporate Debtor as a going concern had commenced prior to the amendment by virtue of the CoC resolution, the liquidation order and the subsequent actions taken by the Liquidator and SCC.
- 4.18. The Applicant therefore contends that the sale conducted in its favour is valid and binding and that this Adjudicating Authority, in exercise of powers under Section 60(5)(c) of the Code, is empowered to grant the reliefs, concessions and directions sought in

the application for ensuring successful revival of the Corporate Debtor as a going concern.

4.19. The Applicant has submitted that it has acted upon the liquidation order and the auction process, paid the entire sale consideration of Rs. 30.60 Crores and, as on 15.04.2026, incurred expenditure of Rs. 72,01,319/- towards improvement of the Corporate Debtor and Rs. 59,09,412/- towards interest expenses. It is further submitted that the Applicant is continuing to incur recurring expenses of approximately Rs. 23,000/- per day towards security charges and Rs. 83,835/- per day towards interest expenses.

4.20. Accordingly, the Applicant has stated that it is entitled to seek reliefs and concessions in the present Application. It is stated that this Tribunal is empowered to grant necessary reliefs in relation to the Corporate Debtor, sold as a going concern under the provisions of the Liquidation Process Regulations, under Section 60(5)(c) of the Code. Therefore, it is submitted that the instant case is a fit case to grant certain reliefs and concessions in favour of the Applicant.

5. To the above averments, an **affidavit-in-reply** has been filed on behalf of the **Respondent No.1** (Liquidator) on

01.06.2026 through e-mode, wherein following submissions were made: -

- 5.1. It is submitted that while the sale of the Corporate Debtor as a going concern has been successfully concluded in favour of the Applicant, the reliefs sought in the present application are not liable to be granted merely on account of such sale and are required to be examined in light of the applicable statutory framework.
- 5.2. It is submitted that the CIRP of the Corporate Debtor commenced on 03.07.2024 pursuant to admission of CP (IB) No. 269 of 2023. The CIRP period was initially scheduled to conclude on 08.01.2025. Thereafter, upon an application filed by the Resolution Professional, this Adjudicating Authority vide order dated 20.01.2025 in IA No. 18 of 2025 granted extension of CIRP by a period of 90 days and consequently extended the CIRP period up to 08.04.2025.
- 5.3. It is further submitted that vide order dated 28.04.2025 passed in IA No. 539 of 2025, this Adjudicating Authority excluded a period of 60 days consumed in legal proceedings and consequently extended the CIRP period up to 27.06.2025.

- 5.4. It is stated that during the 11th meeting of the Committee of Creditors held on 16.05.2025, the Resolution Professional informed the members that Form-G had been published on two occasions inviting Expressions of Interest from prospective resolution applicants. However, despite repeated attempts and adequate opportunities, no resolution plan was received for the Corporate Debtor. In view thereof, the Resolution Professional apprised the CoC that all possibilities of resolution had been exhausted and liquidation was the only viable option available.
- 5.5. It is submitted that after deliberations, the CoC resolved to liquidate the Corporate Debtor. Simultaneously, with a view to maximize value, the CoC further resolved that the Liquidator should, in the first instance, explore the possibility of sale of the Corporate Debtor as a going concern. It was also resolved that in the event the sale as a going concern did not materialize, the Liquidator would be at liberty to proceed with sale of assets in accordance with law.
- 5.6. It is further submitted that the said commercial decision of the CoC was duly placed before this Adjudicating Authority and while passing the liquidation order dated 10.10.2025, this Adjudicating Authority recorded the CoC resolution that the Liquidator shall first explore sale of the Corporate Debtor as a going concern under Regulation 32(e) of

the IBBI (Liquidation Process) Regulations, 2016 read with Regulation 39C of the CIRP Regulations.

- 5.7. The Liquidator has further submitted that subsequent to the liquidation order, the Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025 on 14.10.2025, whereby clauses (e) and (f) of Regulation 32 pertaining to sale of the Corporate Debtor as a going concern came to be omitted.
- 5.8. It is submitted that in view of the said amendment, a question arose as to whether the Corporate Debtor could still be sold as a going concern pursuant to the liquidation order dated 10.10.2025. Accordingly, the issue was deliberated by the Stakeholders' Consultation Committee.
- 5.9. It is stated that during the first meeting of the SCC, the members expressed the view that the order dated 10.10.2025 passed by this Adjudicating Authority was binding upon all stakeholders and ought to be implemented in letter and spirit. The SCC accordingly advised that the sale of the Corporate Debtor as a going concern be proceeded with in terms of the liquidation order.
- 5.10. It is further submitted that the Liquidator sought an independent legal opinion on the issue. According to

the opinion obtained, liquidation proceedings commence upon passing of the liquidation order under Section 33 of the Code and, consequently, the applicable legal framework would be the one prevailing on the date of commencement of liquidation. The opinion further stated that where the CoC had, while recommending liquidation, specifically resolved that the Corporate Debtor be sold as a going concern under Regulation 39C, such decision represented an exercise of commercial wisdom which could not be nullified by a subsequent amendment having prospective operation.

5.11. The Liquidator has submitted that the amendment dated 14.10.2025 itself provides that it shall apply prospectively, namely to cases where liquidation by sale as a going concern had not commenced. It is contended that in the present case, liquidation by sale as a going concern had already commenced on 10.10.2025 when the liquidation order was passed and, therefore, the amended provisions were not applicable to the present liquidation process.

5.12. It is further submitted that the issue was once again deliberated in the second meeting of the SCC wherein various methods of sale, including standalone sale, slump sale, collective sale of assets, sale in parcels and sale as a going concern, were considered. After taking into account the valuation reports and legal opinion,

the SCC advised the Liquidator to proceed with sale of the Corporate Debtor as a going concern in accordance with Regulation 32(e) read with Regulation 32A of the Liquidation Regulations, 2016 with a view to maximize value for stakeholders.

- 5.13. It is stated that acting upon the resolutions passed by the CoC, the observations contained in the liquidation order and the advice rendered by the SCC, the Liquidator proceeded with the sale process and ultimately conducted the e-auction wherein the Applicant emerged as the successful bidder.
- 5.14. The Liquidator has accordingly submitted that the sale of the Corporate Debtor as a going concern was undertaken in accordance with the directions contained in the liquidation order dated 10.10.2025, the commercial wisdom of the CoC and the advice of the SCC. It is contended that the amendment notified on 14.10.2025 does not invalidate the sale process already commenced prior thereto.
- 5.15. The Respondent No. 1 has therefore prayed that the application be decided in accordance with the applicable provisions of the Code, the Liquidation Regulations and the facts and circumstances of the present case.

6. An **affidavit-in-reply** has also been filed on behalf of the **Respondent No. 2** on 27.05.2026 through e-mode, wherein following submissions were made: -

6.1. It is submitted that State Bank of India is the sole member of the Committee of Creditors having 100% voting share in the CoC and is fully conversant with the facts and circumstances of the CIRP and liquidation proceedings of the Corporate Debtor.

6.2. It is further submitted that after considering the factual position and upon being satisfied that all avenues for resolution had been exhausted, the CoC resolved to liquidate the Corporate Debtor. At the same meeting, the CoC, guided by the objective of value maximization, further resolved that the Liquidator should first explore the possibility of sale of the Corporate Debtor as a going concern under Regulation 32(e) of the IBBI (Liquidation Process) Regulations, 2016. The CoC also resolved that in the event such sale did not materialize, the Liquidator would be at liberty to proceed with sale of assets in accordance with law.

6.3. It is submitted that the aforesaid commercial decision of the CoC formed the basis of the liquidation application and was subsequently recorded by this Adjudicating Authority while passing the liquidation order dated 10.10.2025. According to Respondent No.

2, the liquidation order specifically recorded that the CoC had resolved that the Liquidator shall first explore sale of the Corporate Debtor as a going concern under Regulation 32(e) of the Liquidation Regulations read with Regulation 39C of the CIRP Regulations.

- 6.4. It is further submitted that the decision of the CoC to first explore sale of the Corporate Debtor as a going concern before resorting to liquidation sale of assets was taken after exhausting all possible avenues for revival during CIRP and therefore represented a conscious exercise of the commercial wisdom of the CoC.
- 6.5. Respondent No. 2 has submitted that pursuant to the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025 notified on 14.10.2025, clauses (e) and (f) of Regulation 32 came to be omitted. However, the amendment expressly provided that it would apply prospectively and only to cases where liquidation by way of sale as a going concern had not already commenced.
- 6.6. It is submitted that liquidation by sale as a going concern in the present case had already commenced on 10.10.2025, i.e., the date on which the liquidation order was passed by this Adjudicating Authority. Reliance is placed upon Section 5(17) of the Insolvency and Bankruptcy Code, 2016 which defines “liquidation

commencement date” as the date on which liquidation proceedings commence under Section 33 or Section 59 of the Code.

- 6.7. It is further submitted that during the first meeting of the Stakeholders’ Consultation Committee, the members expressed the unanimous view that the liquidation order dated 10.10.2025 passed by this Adjudicating Authority was binding on all stakeholders and ought to be implemented in letter and spirit. The SCC accordingly advised that sale of the Corporate Debtor as a going concern be proceeded with in accordance with the liquidation order.
- 6.8. Respondent No. 2 has further submitted that during the second meeting of the SCC, the members deliberated upon various modes of sale including standalone sale, slump sale, collective sale of assets, sale in parcels and sale as a going concern. After considering the valuation reports and the independent legal opinion obtained by the Liquidator, the SCC advised that the Corporate Debtor be auctioned as a going concern under Regulation 32(e) read with Regulation 32A of the Liquidation Regulations.
- 6.9. It is submitted that the legal opinion obtained by the Liquidator opined that where the CoC, while recommending liquidation under Section 33(2) of the Code, had already resolved that the Corporate Debtor

be sold as a going concern under Regulation 39C, such commercial decision became an integral part of the liquidation process and could not be nullified by a subsequent amendment. According to the opinion, the applicable legal framework would be the one prevailing on the date when liquidation commenced and not the amended framework brought into force subsequently.

- 6.10. It is further submitted that the insertion of Regulation 39C recognized that the commercial wisdom exercised by the CoC during CIRP should not be rendered nugatory upon commencement of liquidation and that the CoC was best placed to determine whether value maximization could be achieved through a going concern sale.
- 6.11. Respondent No. 2 has therefore contended that the amendment dated 14.10.2025 cannot be applied retrospectively so as to defeat a liquidation process and going concern sale which had already commenced pursuant to the liquidation order dated 10.10.2025 and the resolutions passed by the CoC.
- 6.12. It is submitted that the decision of the CoC and SCC to proceed with sale of the Corporate Debtor as a going concern was taken after considering all relevant factors and represented a conscious exercise of commercial wisdom aimed at value maximization for all stakeholders. Consequently, the action of the

Liquidator in conducting the sale of the Corporate Debtor as a going concern was lawful, valid and in conformity with the liquidation order passed by this Adjudicating Authority.

6.13. Accordingly, Respondent No. 2 has prayed that the contentions raised against the validity of the going concern sale be rejected and the application be decided in accordance with the provisions of the Code and the Liquidation Regulations.

7. **Written Submissions** came to be filed on behalf of the Applicant on 03.05.2026 through e-mode in support of the reliefs sought as well as on behalf of Respondent No. 1 on 15.06.2026 through e-mode, which has been taken on record and duly considered.
8. We have heard the counsels for the applicant as well as the Respondents and have considered the pleadings, documents placed on record by the parties.
9. The principal issue arising for consideration is whether the sale of the Corporate Debtor as a going concern can be said to have commenced prior to the coming into force of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025 notified on

14.10.2025, whereby clause (f) of Regulation 31A, clauses (e) and (f) of Regulation 32, and Regulations 32A of the IBBI (Liquidation Process) Regulations, 2016 came to be omitted. Paragraph 2 of the Notification dated 14<sup>th</sup> October 2025 provided that these amended Regulations shall apply prospectively, i.e. to cases where liquidation by sale as a going concern has not commenced.

- 10.** The case of the Applicant, the Liquidator and Respondent No. 2 is founded on the premise that the process of sale as a going concern commenced either upon passing of the resolution by the Committee of Creditors on 16.05.2025 or, at the latest, upon passing of the liquidation order dated 10.10.2025. We are unable to accept the said contention.
- 11.** It is an undisputed position that at the time when the Committee of Creditors resolved to liquidate the Corporate Debtor and further resolved that the Corporate Debtor should first be sold as a going concern, sale of a Corporate Debtor as a going concern under Regulation 32(e) was a statutorily recognised mode of sale. The said resolution merely reflected the commercial wisdom of the CoC that

such avenue be explored with a view to maximise value for stakeholders.

- 12.** Similarly, while passing the liquidation order dated 10.10.2025, this Adjudicating Authority merely took note of the commercial decision of the Committee of Creditors and recorded that the Liquidator shall first explore sale of the Corporate Debtor as a going concern. The observations contained in the liquidation order cannot be construed as commencement of the sale as a going concern process itself. At best, they recognised one of the modes of sale then available under the prevailing statutory framework and permitted the Liquidator to explore such avenue.
- 13.** In our considered view, there exists a material distinction between a decision to explore a particular mode of sale and commencement of the sale process itself. Internal deliberations of the CoC, recommendations of the SCC or observations recorded in a liquidation order cannot by themselves amount to commencement of sale proceedings. These observations in the Liquidation Order concerned Regulation 32 itself that included clauses (a) to (d) also.

Commencement of the sale process necessarily requires initiation of the sale mechanism through objective and outward acts undertaken by the Liquidator for inviting participation from prospective purchasers.

14. Support for this view is found in the decision of this Adjudicating Authority in ***Bijay Murmuria, Liquidator of Doshion Private Limited, (2025) ibclaw.in 2978 NCLT*** wherein it was held that although a binding bid had been received and the SCC had approved the proposed sale, the process of sale as a going concern could not be said to have commenced in the absence of issuance of auction notice and initiation of the actual sale mechanism. It was further held that the expression “liquidation by sale as a going concern has not commenced” refers to the stage where the actual sale transaction is initiated, such as issue of sale notice, conducting the auction and declaring a successful bidder.
15. Applying the aforesaid principle to the facts of the present case, it is evident that neither the resolution of the CoC nor the liquidation order dated 10.10.2025 resulted in

commencement of the sale process. The actual sale process commenced only when the auction notice dated 22.12.2025 came to be issued by the Liquidator inviting bids from the public.

- 16.** By the time the auction notice was issued, the IBBI(Liquidation Process) (Second Amendment) Regulations, 2025 had already come into force on 14.10.2025 and clauses (e) and (f) of Regulation 32 and Regulation 32A stood omitted. Consequently, the statutory framework permitting sale of the Corporate Debtor as a going concern was no longer available on the date when the sale process was actually initiated.
- 17.** The contention that the liquidation order dated 10.10.2025 created a binding mandate in favour of the Applicant or vested any right in respect of a future sale as a going concern also deserves rejection. The liquidation order merely recorded the then prevailing statutory position and the commercial decision of the Committee of Creditors. Neither the CoC nor this Adjudicating Authority could

continue a mode of sale which subsequently ceased to exist by operation of law.

18. The Applicant, having participated in the auction process initiated after the amendment came into force, cannot seek to derive a vested right on the basis of recommendations, deliberations or observations made prior to commencement of the actual sale process.
19. In view of the foregoing discussion, we are of the considered opinion that the reliefs sought by the Applicant, being founded upon the premise that the sale of the Corporate Debtor as a going concern validly commenced prior to 14.10.2025, cannot be granted.
20. Consequently, the reliefs, concessions, exemptions, protections and directions sought by the Applicant in relation to the sale of the Corporate Debtor as a going concern are rejected.
21. Accordingly, **IA No. 678 of 2026** in CP(IB) No. 269 of 2023 stands ***dismissed*** and disposed of.

- 22.** Insofar as **IA(Liq.) Progress Report No. 54 of 2026** filed by the Liquidator seeking to place on record the Progress Report is concerned, the same is allowed and the Progress Report is taken on record. No order as to costs.
- 23.** A certified copy of this Order be issued on demand to the concerned parties, upon due compliance.

Sd/-

**SANJEEV SHARMA**  
**MEMBER(TECHNICAL)**

HG

SD

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**