



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IBC Case Law Capsule

Number 224

(May 19, 2025)



Consortium of Ms. Karishma Jain, M/s. Jupiter City Developers (I) Ltd., & M/s. Adwaita Navigations Pvt. Ltd. Vs. NSE, BSE, CDSL, NSDL & Mr. Vijay Pitamber Lulla
I.A (IBC) No. 1726 of 2024 in C.P (IB) No.16/7/HDB/2023, Date of NCLAT Judgement: May 02, 2025

Facts of the Case: -

The instant application, I.A. No. 1726 of 2024 in CP (IB) No. 16/7/HDB/2023, was filed before the Adjudicating Authority/AA, by the Consortium of Ms. Karishma Jain, M/s. Jupiter City Developers (India) Ltd., and M/s. Adwaita Navigations Pvt. Ltd., acting as the Successful Resolution Applicant/SRA (hereinafter referred as Applicant) for M/s. XL Energy Ltd., a corporate debtor/CD, against National Stock Exchange of India Limited, Bombay stock exchange & Central depository Service India Ltd., National Securities depositories Ltd. & Mr. Vijay Pitamber Lulla (hereinafter referred as 'Respondent No. 1,2,3,4,5 respectively).

The application sought directions for the relisting of equity shares of the CD and activation of its credentials necessary for implementing the Resolution Plan approved on 19.04.2024. XL Energy Ltd., a formerly listed company, was delisted by the NSE due to non-compliance with SEBI (LODR) Regulations, 2015, and non-payment of fines. The delisting order was passed on 19.07.2021 under the SEBI Delisting Regulations, 2009. Later, CIRP was initiated against the CD on 27.03.2023 based on a petition filed by Invent Assets Securitisation and Reconstruction Pvt. Ltd., and Mr. Vijay Pitamber Lulla was appointed as the RP. The SRA's Resolution Plan, approved by the CoC with 73.68% voting, proposed the relisting of the CD as an integral part of revival. The request for relisting was denied by NSE citing Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021, which bars relisting within 10 years of delisting. The application was filed under Section 32A and 60(5) of IBC read with Rule 11 of NCLT Rules, 2016, arguing that the denial of relisting contradicts the clean slate principle under IBC and Section 238, which provides overriding effect to IBC.

NCLAT's Observations:

The Tribunal noted that XL Energy Ltd. was listed with NSE from 28.12.2006 until trading was suspended on 09.01.2020 due to non-compliance with Regulation 31 of the SEBI LODR Regulations and non-payment of fines. Despite notices, the CD failed to respond, leading to delisting on 19.07.2021 under SEBI Delisting Regulations, 2009. Respondent Nos. 2 to 4 did not oppose the application, indicating no objection to relisting.



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It reiterated that a Resolution Plan approved under Section 31(1) of the IBC binds all stakeholders, including statutory authorities. Citing *Essar Steel India Ltd. v. Satish Kumar Gupta and Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited*, the Tribunal emphasized that a Resolution Plan grants the CD a “clean slate” and that no stakeholder may impose conditions inconsistent with the Plan.

Relisting was held to be an integral part of the approved Resolution Plan, critical for revival. Denial by NSE citing Regulation 40(1)(b) of the SEBI Delisting Regulations, 2021, ignored the overriding provisions of Sections 32A and 238 of IBC. The Tribunal clarified its jurisdiction under Section 60(5)(c) of IBC to adjudicate matters relating to CIRP and Plan implementation, referencing *State Bank of India v. Consortium of Mr. Murari Lal Jal and Mr. Florian Frsitsch and Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited, and Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd.* decisions.

Further, Regulation 40(2)(a) read with 40(3) of the 2021 SEBI Regulations permits relisting pursuant to a Resolution Plan. Since the delisting was due to the acts of the erstwhile management, and not the new SRA, the denial of relisting amounted to mechanical rejection, contrary to the clean slate principle.

The Tribunal reaffirmed that past regulatory dues extinguished upon Plan approval cannot be enforced against new management. Section 238 grants IBC overriding effect in case of inconsistencies with other laws. As such, Respondent No. 1’s reliance on Regulation 40(1)(b) to deny relisting was contrary to the IBC’s objectives and the SEBI Regulations themselves, which allow exemptions in such cases.

Order/Judgement: The AA allowed the application and issued directions to Respondents Nos. 1 to 4 to facilitate relisting of the CD’s shares within 30 days from receipt of the order. It also held that no penalties, fines, or dues arising from pre-CIRP defaults should be insisted upon. The Tribunal declared that the earlier delisting order and NSE’s subsequent rejection stand set-aside to the extent they conflict with these directions. They also clarified that the relisting shall be treated as fresh listing without requirements tied to past non-compliances and directed all necessary procedural support to be extended for implementation of the plan.

Case Review: Application allowed.