

# **OVERVIEW OF RICHA INDUSTRIES LIMITED**

**A COMPANY UNDER LIQUIDATION PROCESS**

**CONTACT PERSON:- MR. PREM CHAND GOYAL  
MOBILE No. 9813621782**

# INVESTMENT OPPORTUNITY

- **Reserve Price- Rs 96.00 Crs.**
- **EMD- Rs 9.60 Crs.**
- Increment Price during the Bid- **Rs 1.00 Cr.**
- Auction Date- 16<sup>th</sup> October 2025 (Thursday)
- **Auction Process**
  - Auction will be held through BAANKNET
  - For participation in the E-Auction process, please refer e-auction process document uploaded on BAANKNET, [www.richaindustries.com](http://www.richaindustries.com) and can also be sought from the liquidator
  - Visits shall be planned for all the units of the corporate debtor and liquidator team will assist
  - Kanwara Plant is running
  - Corporate Debtor is a Listed with BSE

# COMPANY HISTORY & EVOLUTION

- **Incorporation:** September 15, 1993, as **Richa Knits Private Limited**. **Transformation:** Became a Public Limited Company on **October 28, 2003**.
- Name changed to **Richa Industries Limited** on **July 15, 2008**.
- **Diversification:** Expanded into **Pre-engineered Building (PEB) fabrication** and **Engineering, Procurement & Construction (EPC) contracts** with a unit in Kashipur, Uttarakhand.

## Certifications & Listings:

- **ISO 9001:2008** certified.
- Listed on the **Bombay Stock Exchange (BSE)** as “**RICHAIND**”.
- First PEB company certified for **OHSAS 18001:2007** by IRQS in 2015.
- **Clientele:** Reputed clients in both government and private sectors.
- **Strengths:** Strict quality control, modern technology, innovative concepts, and adherence to delivery schedules.

## **OPERATIONAL CAPACITIES & UTILIZATION**

- **Knitting Capacity:** 1800 Tons per annum
- **Dyeing & Processing Capacity:** Approx. 500-600 Tons per month
- **PEB Plant (Kashipur) Installed Capacity:** 72,000 Tons per annum
- **Current Production (Overall):** 240 MT per month (At Breakeven).
- Current Staff strength in Textile Plant- 200~220
- Power Load- 1500 KVA in Faridabad Unit; however, transformers are for 2500 KVA in the Faridabad Plant. In the Head office and in the Kashipur Plant, the liquidator has applied for a regular consumption connection since it is non-functional.

# KEY ASSETS

- **Textile Plant (Faridabad):**
  - **Location:** Mauja Village, Kanwara Tehsil, Faridabad (since 2006).
  - **Ownership:** Self-owned and self-occupied.
  - **Area:** Total built-up area of 1,64,634 sq. ft. (Ground + 2 floors).
- **PEB Plant (Kashipur):**
  - **Location:** Dhanori Patti, Tehsil Kashipur, Distt.-U.S. Nagar (setup in 2008).
  - **Ownership:** Self-owned and self-occupied.
  - **Area:** Total built-up area Approximately 3,16,713 sq.ft.
- **Head Off**
  - **Location:** Plot No. 29, Industrial Estate-II, Faridabad.
  - **Ownership:** Self-owned and self-occupied.
  - **Area:** Total built-up area of 38,422 sq. ft
  - Construction:- New
  - Building Floors:- Basement+5 Floors
- **Residential Plot**
  - **Location:** 387, Sector-1, Manesar, Gurgaon.
  - **Ownership:** Self-owned and self-occupied.
  - **Area:** Total Area Considered: 1,759.91 sq. ft.

# Pre-Engineered Buildings (Faridabad)













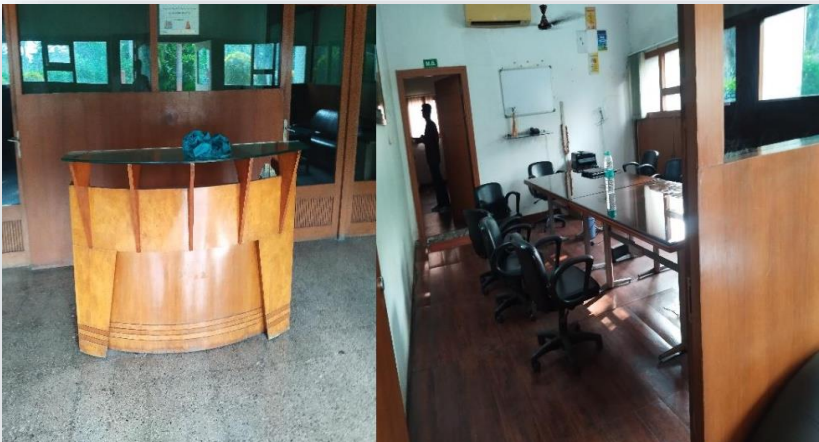








# Textile Plant (Kashipur)





Photographs of Kashipur Site (Land )



Photographs of Kashipur Site (Land )



**Photographs of Kashipur Site (Building )**



**Photographs of Kashipur Site (Building )**





# DLF Industrial Area

Photographs of DLF Industrial Area



Photographs of DLF Industrial Area





## Photographs of DLF Industrial Area



# Manesar

Photographs of Manesar Gurugram



Photographs of Manesar Gurugram



# **PRESENT CLIENTELE (EXAMPLES)**

- ☐ **Arvind Mills Limited**
- ☐ **Bhumi Textiles Limited**
- ☐ **Paramount Textiles P Ltd**
- ☐ **Tushar Textiles P Ltd**
- ☐ **Positex Fabrics Ltd**
- ☐ **Lisse Export P Ltd**
- ☐ **Chandra Fabrics Ltd**



# DETAILS OF LITIGATIONS

S. NO.	CASE NUMBER	CASE TITLE	JURISDICTION	SUMMARY OF PROCEEDINGS
1	CP(IB) No. 80 of 2018	M/S Tata Blue Scope Limited Vs M/S Richa Industries Limited	NCLT, Chandigarh	Petition filed under Section 7 to initiate CIRP against Corporate Debtor. CD Admitted into Liquidation on 11/06/2025
	Diary No. 02373 of 2025	Perfect Homes Real Estates Private Limited Vs Mohit Chawla	NCLT, Chandigarh	This application has been filed by the Claimant under Section 42 of the Insolvency and Bankruptcy Code, 2016, challenging the decision of the Liquidator in the adjudication of their claim. The aforesaid application has not been registered till date of issuance of this Notice.
	IA (I.B.C)/1436/CH/2025	Mohit Chawla, Liquidator  VS  Principal Commissioner of Income Tax, Faridabad	NCLT, Chandigarh	<p>This Application has been filed for recovery of refund illegally adjusted by Income Tax Department during moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016.</p> <p>The next date in the aforesaid matter has not been uploaded yet.</p>
	IA (I.B.C)/1409/CH/2025	Mohit Chawla  VS  NA	NCLT, Chandigarh	<p>This Application has been filed by the Liquidator for placing on record the list of stakeholders of the Corporate Debtor.</p> <p>The next date in the aforesaid matter has not been uploaded yet.</p>

	IA (I.B.C)/1372/CH/2025	Mohit Chawla, Liquidator VS  Sandeep Gupta	NCLT, Chandigarh	This Application has been filed seeking vacation and peaceful possession of premises of the Corporate Debtor
	IA (I.B.C)/577/CH/2025	Perfect Homes Real Estates Private Limited  VS  Mr. Arvind Kumar Resolution Professional of Richa Industries Limited	NCLT, Chandigarh	<p>Filed by Perfect Homes against Resolution Professional seeking amendment of Prayer in Intervention Petition Bearing No.: IVN P. 1 of 2025 in terms of direction dated 24.03.25.</p> <p>1. Applicant seeks to intervene in IA/2194/2023 whereby applicant sought change of RP.</p> <p>3. Applicant seeks to intervene in IA/483/2024 wherein M/s Saariga Constructions seeking direction to be declared as SRA.</p> <p>3. Applicant seeks to intervene in IA/793/2024 wherein similarly placed applicant has been duped into making advanced payments against consideration of their resolution plan.</p> <p>4. Applicant seeks to intervene in IA/73/2024, which has been preferred by an applicant seeking a refund of the interim finance amount paid by him, which is a similar position of the applicant herein.</p> <p><b>NDOH: 15/10/2025</b></p>

	IA (I.B.C)/208/CH/2025	Arvind Kumar (Resolution Professional) Vs Income Tax Department	NCLT, Chandigarh	<p>The present application is filed by RP to stay the recovery actions initiated by ITD against the CD during the moratorium period.</p> <p>NDOH: 15/10/2025</p>
	IA (I.B.C)/73/CH/2024	Vijayant Mittal VS Mr. Arvind Kumar Resolution Professional for Richa Industries Limited	NCLT, Chandigarh	<p>This application was filed by Mr. Vijayant Mittal, partner of Lotus Textile, against RP seeking direction to repay the entire interim finance provided by the applicant. Further seeking ex-parte lien on the money received and direction to RP to file details of availing interim finance and utilization.</p> <p>Reply filed by RP wherein the RP admitted availing interim finance. Total interim finance raised by RP is ₹12 Cr.</p> <p>The present application is premature as neither the plan amount distributed as complementary to liquidation nor amount distributed in accordance with section 53 of the code.</p> <p><b>LDOH: 15/10/2025</b></p>
	IA (I.B.C)/663/CH/2025	M/S KDM DYECHEM VS Arvind Kumar RP	NCLT, Chandigarh	<b>NDOH: 15/10/2025</b>



	IA(IBC) No.1063/2025	<p>Subhash Gupta Sons Private Limited</p> <p>Vs</p> <p>Mr. Mohit Chawla</p>	NCLT, Chandigarh	<p>The present application has been filed by applicant - Mr. Subhash Gupta Sons Pvt. Ltd. u/s 60(5) of the IBC. It is stated that the appellant is a related party of the suspended management and through this application they are seeking to declare the Scheme Process Document dated 23.06.2025 to be arbitrary and ultra-vires.</p> <p>The matter is now listed before the regular bench which had previously heard the matter in detail. The liquidator has already filed its reply in the matter. And bench has granted one week time to the R3 to file their reply.</p> <p>NDOH: 11/09/2025</p>
	IA(IBC)/1232(CH)2025	<p>Mohit Chawla Liquidator</p> <p>VS</p> <p>Executive Engineer Dakshin Haryana Bijli Vitran Nigam (DHBN)</p>	NCLT, Chandigarh	<p>The present application has been filed on behalf of the Liquidator of the Corporate Debtor under Section 60(5) of the IBC r/w Rule 11 of the NCLT Rules, 2016, for seeking direction against the respondent for the restoration of the electricity connection.</p> <p>During the last hearing, it was stated at Bar by Ld. Counsel for the respondents that the electricity connection is already restored. The Liquidator, who was present in person, was directed to ensure that all current electricity bills are paid during the liquidation period.</p> <p><b>NDOH: 15/09/2025</b></p>

2	NACT/3724/2019	Ajay Metalloys Vs Richa Ind	J. Sarita Solanki, Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  NDOH: 11/09/2025
3	NACT/7787/2018	Ms Dinesh Steel Vs Richa Ind	J. Sarita Solanki, Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 11/09/2025</b>
4	NACT/8655/2018	M/S Bhartiya Ispat Vs M/S Richa Industries Ltd.	J. Sarita Solanki, Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 11/09/2025</b>
5	NACT/8655/2018	Arya Steels Vs Richa Ind	J. Sarita Solanki, Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 11/09/2025</b>

6	NACT/3786/2017	Shyam Strips & Tubes Vs Richa Ind	J. Sarita Solanki, Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  NDOH: 17/09/2025
7	Cr. Case Complaint (P)/0000202/2018	M/s Manglam Dealcom Pvt. Ltd versus Sandeep Gupta The managing Director, M/s Richa Ind. Ltd	CJM Div. Patna City	The present case has been filed under provisions of the Negotiable Instruments Act, 1881 along with Section 406 and 420 of IPC.  <b>NDOH: 10/10/2015</b>
8	LAC/129/2015	Richa Ind. Vs State of Haryana	4-Addl. District and Sessions Judge, Faridabad	The present case is a land acquisition case. Delhi Metro Railway Corp is Respondent No. 3.  <b>NDOH: 15/09/2025</b>
9	CT Cases 4913/2018	Marubeni-Itochu Steel India Vs Richa Ind	J. Radha Kulshreshtha  Judicial Magistrate, First Class (NI) Act-01 (South) Saket/New Delhi	On last hearing, counsel for the complainant requested to withdraw the complaint. In view of the same, the complaint along with all the pending application, if any, stands dismissed as withdrawn.  Case put up for final disposal before the Lok Adalat to be held on <b>13.09.2025.</b>



10	CT Case 12161/2018	Shriram Steel Traders Vs Richa Ind	J. YASHDEEP CHAHAL, Judicial Magistrate First Class-01, Patiala House Court	<p>The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881. Case to come up for remaining complainant evidence.</p> <p>NDOH: 22/09/2025</p>
11	NACT/747/2019	Indian Steel Corporation Vs Richa Ind	District and Sessions Court, Indore	<p>The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.</p> <p><b>NDOH: 13.09.2025</b></p>
12	COMI-30511-2014	Registrar Of Companies Vs Ms Richa Industries Limited	Parmod Kumar Judicial Magistrate - Ist Class, Faridabad	The matter pertains to Section 58A of Companies Act, 1956. Matter is listed for evidence on behalf of complainant and for arguments on application for substitution of the complainant.
13	NACT/1513/2017	S.B Steel and Engg. Works Vs Richa Industries Ltd	(DR. SARIKA) Judicial Magistrate - Ist Class, Faridabad	<p>The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.</p> <p><b>NDOH: 19.09.2025</b></p>
14	NACT/1186/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA) Judicial Magistrate - Ist Class, Faridabad	<p>The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.</p> <p><b>NDOH: 19.09.2025</b></p>

15	NACT/1189/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA)  Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  NDOH: 19.09.2025
16	NACT/1193/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA)  Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 19.09.2025</b>
17	NACT/1195/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA)  Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 19.09.2025</b>
18	NACT/1188/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA)  Judicial Magistrate - Ist Class, Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 19.09.2025</b>
19	NACT/1187/2017	S.B Steel and Engg Works Vs Richa Industries Ltd	(DR. SARIKA)  Judicial Magistrate - Ist Class, Faridabad Faridabad	The present case has been filed under Section 138 of the Negotiable Instruments Act, 1881.  <b>NDOH: 19.09.2025</b>
20	CWP 19676/2021	Shweta Gupta Vs Indian Overseas Bank & Others	Punjab & Haryana High Court	The guarantor has approached this Court, aggrieved by the order dated 25.03.2021 of the Identification Committee for Wilful Defaulters, classifying the petitioner as a wilful defaulter.  <b>NDOH: 19.09.2025</b>

# Financial Statement Analysis

Part II : Statement of Profit and Loss									
Sl. No.	Particulars	30.06.25	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
I	Revenue From operations	936.55	3,525.20	1,063.54	2,553.27	3,666.96	3,506.12	4,261.78	15,567.01
II	Other Income	0.06	10.77	10.18	17.40	13.52	14.00	29.64	51.00
III	Total Income (I+II)	936.61	3,535.97	1,073.72	2,570.67	3,680.48	3,520.12	4,291.42	15,618.01
IV	EXPENSES								
	Cost of materials consumed	863.81	2,022.61	780.99	1,270.66	1,800.90	2,524.92	1,708.97	13,189.19
	Purchases of Stock-in-Trade								
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	19.55	(0.36)	139.72	109.59	17.42	165.22	82.70	5,915.83
	Employee benefits expense	190.69	765.75	666.10	617.85	673.66	552.11	693.51	1,297.99
	Other expenses	338.58	1,385.67	559.25	737.28	1,566.12	1,079.69	2,482.97	4,245.33
	Finance costs		0.02	3.26	1,119.09	2,209.85	2,931.25	3,781.11	3,565.24
	Depreciation and amortization expenses	108.15	492.86	600.52	687.12	840.96	886.29	913.83	925.39
	Total expenses (IV)	1,520.78	4,666.55	2,749.84	4,541.57	7,108.90	8,139.49	9,663.09	29,138.97
V	Profit/(loss) before exceptional items and tax (III-IV)	(584.17)	(1,130.57)	(1,676.12)	(1,970.90)	(3,428.42)	(4,619.36)	(5,371.67)	(13,520.96)
VI	Exceptional/ Extraordinary Items			-	-	26.48	-		3,532.99
VII	Profit/ (loss) before exceptions items and tax(V-VI)	(584.17)	(1,130.57)	(1,676.12)	(1,970.90)	(3,454.90)	(4,619.36)	(5,371.67)	(17,053.95)

Part I : Balance Sheet (Standalone)							
Particulars	30.06.2025	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	19877.64	20,028.91	19,853.49	19,853.26	19,845.63	18,866.95	18,715.03
(e) Intangible assets	201.88	201.88	201.88	201.88	201.88	201.88	201.88
(i) Investments	0.51	0.51	0.51	0.51	0.51	0.51	0.51
(ii) Trade receivables					-	-	340.63
(iv) Deposits in Bank and unclaimed dividend	184.19	144.69	138.05	131.70	125.64	152.07	269.71
(j) Other non-current assets	1828.74	1,965.14	1,962.01	1,937.74	2,040.09	1,980.81	1,886.20
Sub-total (1)	22092.96	22,341.13	22,155.94	22,125.09	22,213.75	21,202.21	21,413.96
Current assets							
(a) Inventories	215.03	462.34	419.20	558.91	668.50	685.92	1,138.88
(b) Financial Assets							
(ii) Trade receivables	4829.46	4,823.36	5,023.84	4,999.38	4,650.28	4,866.35	4,160.43
(iii) Cash and cash equivalents	709.16	724.39	26.75	31.89	28.40	68.07	86.55
(iv) Bank balances other than (iii) above		39.50	37.18	35.23	33.65		-
(v) Loans and advances	594.03	598.27	441.93	430.99	487.62	626.07	222.14
(vi) Others (to be specified)	4.31	7.74	6.86	6.62	9.15	10.42	15.12
Sub-total (2)	6351.99	6,655.60	5,955.75	6,063.03	5,877.59	6,256.83	5,623.12
TOTAL ASSETS	28444.95	28,996.73	28,111.69	28,188.12	28,091.34	27,459.04	27,037.08



II	EQUITY AND LIABILITIES	30.6.25	2025	2024	2023	2022	2021	2020
	(a) Equity Share capital	2351.69	2,351.69	2,351.69	2,351.69	2,351.69	2,351.69	2,351.69
	(b) Other Equity	(35,188.06)	(34,603.89)	(33,473.32)	(31,797.20)	(29,826.30)	(27,119.23)	(22,538.54)
	Sub-total (II)	(32,836.37)	(32,252.20)	(31,121.63)	(29,445.51)	(27,474.61)	(24,767.54)	(20,186.85)
III	Liabilities							
1	Non-current liabilities							
	(i) Borrowings	10982.21	10,982.21	11,002.21	10,992.21	11,019.36	1,100.86	1,069.37
	(b) Other Financial Liabilities	81.48	81.48	81.48	81.48	81.48		
	(b) Provisions	12003.38	11,895.23	11,402.36	10,801.82	10,114.71	9,315.80	8,384.98
	(c) Deferred tax liabilities (Net)	1652.47	1,652.47	1,652.47	1,652.47	1,652.47	1,365.14	1,292.90
	Sub-total (1)	24719.54	24,611.39	24,138.52	23,527.99	22,868.02	11,781.80	10,747.25
2	Current liabilities							
	(i) Borrowings	26634.21	26,625.66	26,846.43	27,016.09	25,777.36	33,527.40	30,078.05
	(ii) Trade Payables:-	2660.17	2,652.47	2,778.99	2,791.79	2,689.68	4,255.21	3,342.47
	(b) Other current liabilities	6701.76	6,769.78	4,977.80	3,924.58	3,842.76	2,267.68	2,803.05
	(c) Provisions	565.64	589.62	491.58	373.18	388.13	394.49	253.12
	Sub-total (2)	36561.77	36,637.53	35,094.80	34,105.64	32,697.93	40,444.79	36,476.69
	TOTAL EQUITY AND LIABILITIES	28,444.95	28,996.73	28,111.69	28,188.12	28,091.34	27,459.05	27,037.09

# **LOSSES UNDER INCOME TAX**

## **A. Business Losses to be Carried Forward to Future Years**

- ☐ 2019-20: 1,65,85,57,921
- ☐ 2020-21: 13,98,42,387
- ☐ 2021-22: 43,03,58,306
- ☐ 2022-23: 27,34,88,824
- ☐ 2023-24: 12,65,45,199
- ☐ 2024-25: 16,58,70,952

**Cumulative Business Losses from Previous Years: Rs 279.46 Crs**

## **B. Unabsorbed Depreciation**

- ☐ 2018-19: 12,45,25,056
- ☐ 2019-20: 8,11,80,513
- ☐ 2020-21: 7,04,95,082
- ☐ 2021-22: 6,10,24,668
- ☐ 2022-23: 7,91,41,645
- ☐ 2023-24: 6,89,36,316
- ☐ 2024-25: 6,00,22,887

**Cumulative Depreciation from Previous Years: Rs 54.53 Crs**

# GST INPUT CREDITS

☐ **Uttarakhand – GST Dept. Kashipur (05AAACR7943J1Z6)**

- ITC: ₹669,416.00
- Cash Ledger Balance: ₹7,000.00
- Demand: ₹160,197,572.00
- Remarks: Demand

☐ **Uttarakhand – GST Dept. Kashipur (05AAACR7943J2Z5)**

- ITC: ₹728,606.00
- Cash Ledger Balance: ₹22,170.00
- Demand: —
- Remarks: No Refund

☐ **Maharashtra – GST Department (27AAACR7943J1Z0)**

- ITC: ₹4,130,444.00
- Cash Ledger Balance: ₹2,695.00
- Demand: ₹80,120,437.00
- Remarks: Demand

☐ **Delhi – GST Department (07AAACR7943J1Z2)**

- ITC: ₹901,665.00
- Cash Ledger Balance: ₹5,392.00
- Demand: ₹575,420.00
- Remarks: Demand

☐ **Bihar – GST Department Patna (10AAACR7943J1ZZY)**

- ITC: ₹1,975,188.00
- Cash Ledger Balance: ₹1,767,229.00
- Demand: ₹43,613,671.00
- Remarks: Demand

# GST INPUT CREDITS

- **Odisha – GST Department (27AAACR7943J1ZC)**
  - ITC: ₹646,979.00
  - Cash Ledger Balance: ₹150.00
  - Demand: —
  - Remarks: No Refund
- **Uttar Pradesh – GST Department (09AAACR7943J1ZY)**
  - ITC: ₹920,417.00
  - Cash Ledger Balance: ₹150.00
  - Demand: —
  - Remarks: No Refund
- **Gujarat – GST Department (24AAACR7943J1Z6)**
  - ITC: ₹0.00
  - Cash Ledger Balance: ₹0.00
  - Demand: —
  - Remarks: No Refund
- **Haryana – GST Department Faridabad (06AAACR7943J1Z4)**
  - ITC: ₹22,220,809.00
  - Cash Ledger Balance: ₹35,854.00
  - Demand: —
  - Remarks: Eligible only for Q1 2025–26 GST refund



# GST INPUT CREDITS

- ☐ **Total ITC on GST Portal (All States): ₹32,193,524.00**
- ☐ **Total Cash Ledger Balance: ₹1,840,640.00**
- ☐ **Total Demand: ₹284,507,100.00**

# BSE SHARE INDEX

**Blue Line (Price on BSE):** This is the share price of the company on the BSE. The fluctuations over time indicate periods of increase and decrease. **The share touched a peak price of 153.25 in 2009**



# **BENEFITS OF SALE AS A GOING CONCERN**

- 1. Preservation of Business Value:** A going concern sale enables the transfer of the company as a functioning unit, protecting the inherent value of its operational assets, supply chains, goodwill, licenses, and business relationships.
- 2. Retention of Existing Customers & Infrastructure:** By acquiring the corporate debtor as a going concern, the buyer benefits from an already functional setup—complete with customer base, vendor relationships, and established infrastructure—thus reducing turnaround time and capital expenditure for restarting operations.
- 3. Employment Protection and Social Stability:** This method allows continuity of employment for existing staff, thereby ensuring workforce stability and retaining organizational knowledge. It also aligns with IBC's objective of balancing the interests of all stakeholders, including employees, and upholds social responsibility by minimizing job loss.
- 4. Faster Business Revival:** Since the buyer acquires a running business with minimal downtime, the restart of operations is expedited, facilitating faster economic turnaround and value creation for the economy at large.



## **BENEFITS OF SALE AS A GOING CONCERN**

- 5. Strategic Growth Opportunities for Acquirers:** The acquirer can leverage the brand equity, operational know-how, and market position of the corporate debtor to enhance their own market footprint, making such acquisitions lucrative from a long-term strategic standpoint.
- 6. Clean Exit for Creditors:** Emerging jurisprudence supports the 'clean slate' principle in going concern sales under liquidation, offering the buyer freedom from legacy liabilities. This ensures successful closure of proceedings and reduces post-sale litigation or enforcement issues.