



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AMARAVATI BENCH**  
***(Through Hybrid Mode)***

**Item No.1**  
**IA (IBC)/41/2025 in**  
**TCP (IB)/41/9/AMR/2019**  
**Under Liquidation**

**IN THE MATTER OF:**

M/s. Priya Trading Company

...Petitioner/Operational Creditor

Versus

M/s. Veda Biofuel Ltd

.... Respondent/Corporate Debtor

**Under Section: 35, 60(5) of IBC, 2016**

**Regulation: 32A, 33 and 42(2) of IBBI (Liquidation Process)**  
**Regulations, 2016**

**Rule: 11 of the NCLT Rules, 2016**

**Order delivered on 03.07.2025**

**CORAM:**

**SHRI UMESH KUMAR SHUKLA**  
**HON'BLE MEMBER (TECHNICAL)**

**SHRI KISHORE VEMULAPALLI**  
**HON'BLE MEMBER (JUDICIAL)**

**PRESENT:**

**In IA (IBC)/41/2025**

For the Applicant/Liquidator : Dr. Kondapalli Venkat Srinivas, Liquidator

For the Respondent/  
Successful Bidder

: Dr. S. V. Ramakrishna, Advocate

**ORDER**

**IA (IBC)/41/2025:**

Order pronounced and recorded *vide* separate sheets. The Application bearing **IA (IBC)/41/2025 in TCP (IB)/41/9/AMR/2019** filed by the Applicant/Liquidator is **dismissed**, and accordingly, the matter stands disposed of.

**Sd/-**  
**(UMESH KUMAR SHUKLA)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(KISHORE VEMULAPALLI)**  
**MEMBER (JUDICIAL)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATI BENCH AT MANGALAGIRI**  
*(Exercising powers of Adjudicating Authority under  
the Insolvency and Bankruptcy Code, 2016)*

**IA(IBC)/41/2025**

**in**

**TCP (IB)/41/9/AMR/2019**

**Application under Section 35 read with  
Section 60(5)(c) of the Insolvency and  
Bankruptcy Code, 2016 read with Regulation  
32A, 33 and 42(2) of Insolvency & Bankruptcy  
Board of India (Liquidation Process)  
Regulations, 2016 read with Rule 11 of  
National Company Law Tribunal Rules, 2016**

**IN THE MATTER OF:**

Priya Trading Company.

Petitioner/ Operational Creditor

Vs.

Veda Biofuel Limited.

.... Respondent/ Corporate Debtor

**IN THE MATTER OF IA(IBC)/41/2025:**

Dr. Kondapalli Venkat Srinivas,  
Liquidator of M/s. Veda Biofuel Limited,  
Reg. No.IBBI/IPA-001/IP-P00520/2017-2018/10945  
Address: #402, 4<sup>th</sup> Floor, 6-3-249/6, "Alcazar Plaza & Towers",  
Road No.1, Banjara Hills,  
Hyderabad, Telangana -500034.

.... Applicant/ Liquidator

Vs.

M S Biotech Private Limited  
Represented by its Authorised Representative  
Mr. Jaipal Reddy Amireddy,  
Office at: Plot No. 64, Sagar Society,  
Road No. 2, Banjara Hills,  
Hyderabad, Telangana- 500034.

.... Respondent/ Successful Bidder



**Order dated on: 03.07.2025**

**CORAM: HON'BLE MR. KISHORE VEMULAPALLI, MEMBER (JUDICIAL)  
HON'BLE MR. UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)**

**Parties /Counsels Appearance:**

For the Liquidator/ Applicant : Dr. Kondapalli Venkat Srinivas, Liquidator  
For the Successful Bidder/ Respondent : Dr. S.V. Ramakrishna, Advocate

**ORDER**  
**[PER: BENCH]**

The present Interlocutory Application bearing no. IA(IBC)/41/2025 (hereinafter referred to as the “**IA**”) has been filed on 12.12.2024 (vide Diary No. 1774) by Dr. Kondapalli Venkat Srinivas, Liquidator of M/s. Veda Biofuel Limited (hereinafter referred to as the “**Applicant**” or “**Liquidator**”), under section 35 read with section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**IBC**” or the “**Code**”), read with Regulations 32A, 33, and 42(2) of the IBBI (Liquidation Process) Regulations, 2016 (hereinafter referred to as the “**Liquidation Regulations**”), and Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as the “**NCLT Rules**”) with the following prayers:

- (i) To allow the instant IA reporting completion of sale of the Corporate Debtor as a going concern in accordance with the provisions of Regulation 33(1) in the manner specified in Schedule 1 of Liquidation Regulations to the M/s Biotech Private Limited & Ors. (hereinafter referred to as the “**Respondent**” or “**Successful Bidder**” in accordance with the terms enshrined in the Process Document dated 21.08.2024 on an “as is where is” “as is what is” “as is how is” “whatever there is” and “no recourse basis”; having received the entire consideration as per the said Process Document together with interest;



- (ii) Grant the reliefs and concessions, as sought by the Respondent i.e., M S Biotech & Ors as particularly detailed in Annexure 29 of the IA for the smooth transition of the Corporate Debtor.
- (iii) Pass such other order(s), as it may deem fit and proper in the circumstances of the case and in the interest of justice.

### **FACTS OF THE CASE:**

2. The facts of the case, as stated in the IA, are summarized below:

- (i) This Adjudicating Authority, vide its order dated 26.05.2020 (copy enclosed as Annexure 1 of the IA) in IA No. 98 of 21, passed liquidation order in M/s. Veda Biofuel Limited (hereinafter referred to as the "**Corporate Debtor**") under section 33(1) of the IBC and appointed Mr. Sisir Kumar Appikatta (hereinafter referred to as the "**Erstwhile Liquidator**") as the liquidator under section 34(1) of IBC.
- (ii) The Erstwhile Liquidator issued a Public Notice dated 19.08.2020 (copy enclosed as Annexure 2 of the IA) calling for expression of interest (hereinafter referred to as the "**EoI**") from interested bidders for the sale of Corporate Debtor as a going concern.
- (iii) Mr. Vijay Kumar Penmetsa, the promotor of the Corporate Debtor (hereinafter referred to as the "**Promoter**") filed an appeal against the liquidation order vide Company Appeal (AT) (Insolvency) No. 757 of 2020 before the Hon'ble NCLAT, which vide its Order dated 07.09.2020 (copy enclosed as Annexure 3 of the IA), directed that "*The auction notice shall remain stayed till the next date of hearing*". The said interim order was extended from time to time since then.



- (iv) Subsequently, on an application filed by Mr. Ramakrishna Indrakanti, an equity shareholder of the Corporate Debtor, vide IA No. 85 of 2021, this Adjudicating Authority, vide its Order dated 07.08.2021, held that the appointment of Mr. Sisir Kumar Appikatta as liquidator of the Corporate Debtor is non-est/ illegal and ab initio void and appointed the Applicant as liquidator in his place, vide its Order dated 03.09.2021 (copy enclosed as Annexure 4 (Colly.) of the IA).
- (v) The Applicant appointed two registered valuers (copy enclosed as Annexure 5 (Colly.) of the IA) to determine the realisable value of the assets or businesses of Corporate Debtor under Clause (a) to (f) of Regulation 32 of the Liquidation Regulations.
- (vi) In the meantime, this Adjudicating Authority, vide its Order dated 25.11.2021 (copy enclosed as Annexure 6 of the IA) in IA No. 100 of 2021 filed by the Promotor, directed the Applicant to accept the MSME certificate and consider the Resolution/ Restructuring Plan on similar lines as approved in 20<sup>th</sup> meeting of Committee of Creditor (hereinafter referred to as the “CoC”) held on 03.03.2020.
- (vii) The Applicant conducted a meeting of the Stakeholders Consultation Committee (hereinafter referred to as the “SCC”) on 29.11.2021 in compliance with Regulation 31A (1) of the Liquidation Regulations, which, after taking on record, the Order of this Adjudicating Authority in IA No. 100 of 2021, requested the Applicant to complete the process of scheme of compromise under section 230 within the prescribed timelines (copy of minutes of the SCC meeting enclosed as Annexure 7 of the IA).



- (viii) The Applicant filed preliminary report on 02.12.2021 (copy enclosed as Annexure 8 of the IA) enclosing list of stakeholders and Asset Memorandum.
- (ix) Subsequently, the scheme of compromise submitted by the Promotor under 230 was rejected by all the secured financial creditors (hereinafter referred to as the "SFCs"), which was communicated vide their emails dated 04.01.2022, 11.01.2022 and 19.01.2022 (copy enclosed as Annexure 9 of the IA) to the Applicant,.
- (x) The Applicant called for 2<sup>nd</sup> meeting of the SCC on 07.05.2022 and placed the decision of SFCs rejecting the scheme of compromise proposal submitted by the Promoter. The copy of the minutes of the SCC meeting enclosed as Annexure 10 of the IA.
- (xi) The SFCs, in their Joint Lender's Meeting (hereinafter referred to as the "JLM") meetings held on 10.05.2022 and 17.06.2022 (copy of the minutes enclosed as Annexure 11 of the IA), rejected again the scheme of compromise proposal submitted to them directly by the Promoter.
- (xii) The Promoter filed IA No. 63 of 2022 seeking directions to the Applicant to consider his scheme of compromise, which was dismissed by this Adjudicating Authority vide its Order dated 02.12.2022 (copy enclosed as Annexure 12 of the IA).
- (xiii) While hearing the appeal preferred by the Promotor on 09.07.2024, Hon'ble NCLAT, while adjourning the matter, made it "*clear that the interim order is not being extended*" (copy enclosed herewith as Annexure 13 of the IA) paving way for the Applicant to take further steps in the liquidation



of the Corporate Debtor as per the provisions of the Code and Rules and Regulations applicable thereunder.

- (xiv) The Applicant, in compliance with the provisions of Regulation 35(2) of the Liquidation Regulations, appointed two registered valuers to determine the realisable value of the assets or businesses under clauses (a) to (f) of Regulation 32 of the Corporate Debtor and the valuers had independently submitted their reports (copy of the valuation reports enclosed as Annexure 14 of the IA) after physical verification of the assets of the Corporate Debtor. In compliance with the provisions of Regulation 35(4) of the Liquidation Regulations, the Applicant had taken average of two estimates received under sub regulation (3) as the value of the assets or business as shown in Table below:

Category	Summary of Estimates of realizable value of the assets		
	Liquidation Value		
	Valuer 1	Valuer 2	Average
Plat & Machinery	45,68,00,000	44,28,00,000	44,98,00,000
Fixed Assets	13,00,11,750	12,17,44,500	12,58,78,125
Financial Assets	71,47,544	66,82,931	69,15,237
	-	-	58,25,93,362

- (xv) The Applicant held periodic consultations with the stakeholders, informed the developments and progress in the liquidation of the Corporate Debtor from time to time, the summary of which was periodically filed before this Adjudicating Authority along with the progress reports.
- (xvi) The Applicant had, in compliance with the provisions of Regulation 31A(6) of Liquidation Regulations, called SCC meeting on 16.08.2024 to seek the advice with regard to the public notice, asset sale process memorandum,



pre-bid qualifications, reserve price, marketing strategy and auction process as per the provisions of Regulation 31A(1)(b) of the Liquidation Regulations.

(xvii) The SCC in its meeting held on 16.08.2024 (copy of the minutes as Annexure 15 of the IA) by a majority vote of 81.83% decided to fix the reserve price for the sale of Corporate Debtor as a going concern at Rs.75.00 crores even though the value of assets as arrived at by the registered valuers was Rs. 58.26 crores.

(xviii) The Applicant issued a Public Notice on 21.08.2024 (copy enclosed as Annexure 16 of the IA) calling for EoI from the prospective bidders for the sale of Corporate Debtor as a going concern fixing reserve price at Rs.75.00 crore. Last date for submission of eligibility documents as per Schedule-I (1D) was 04.09.2024.

(xix) Pursuant to the public announcement, the Applicant received several EoIs, but after verification, only 5 parties, as shown below, were found to be eligible bidders in compliance with Schedule-I(1D):

Particulars	1	2	3	4	5
Name of the Applicant	Kailash Agrawal	Sherisha Technologies Private Limited	Capricorn Blenders Private Limited	MS Biotech Private Limited & Ors	KLSR Infratech Limited

(xx) A copy of the email communication (copy enclosed as Annexure 17 of the IA) was sent to all the prospective bidders intimating that they are declared as qualified bidders as per Schedule-I (1D).



- (xxi) Out of the above qualified bidders, only the Respondent deposited demand draft towards refundable security deposit amount of Rs.7.50. A copy of the email dated 11.09.2024, enclosing demand draft received from the Respondent has been enclosed as Annexure 18 of the IA.
- (xxii) On the date of auction conducted by the Applicant on NeSL e-portal on 16.09.2024, the Respondent participated in the auction and bid for an amount of Rs,75.10 crores. A copy of the eAuction certificate issued by NeSL has been enclosed as Annexure 19 of the IA.
- (xxiii) On the close of the auction, the Respondent was informed as the successful bidder vide email dated 17.09.2024 (copy enclosed as Annexure 20 of the IA) to provide balance sale consideration within 30 days from the issuance of Letter of Demand (hereinafter referred to as the “LoD”) and in case the payment is not made within 30 days, the unpaid sums shall carry an interest of 12% per annum, but in any case the entire sale consideration needs to be paid on or before 90 days from the date of issue of LoD i.e., 19.12.2024. The Respondent had, vide email dated 18.09.2024 (copy enclosed as Annexure 21 of the IA) acknowledged and accepted the LoD..
- (xxiv) Vide letter dated 21.09.2024, the Respondent deposited a further sum of Rs.3.755 crores (copy of the letter dated 21.09.2024 enclosing demand draft for Rs.3.755 crores enclosed as Annexure - 22 of the IA) being 5% of the bid amount as performance security deposit with the Applicant totalling his deposit to Rs.11.255 crore. The Respondent was to pay the balance consideration of Rs.63.745 crores within 90 days i.e., by 19.12.2024 as per the terms of the auction.



- (xxv) The Applicant had, on 03.10.2024, in compliance with the provisions of Regulation 15(1)(b) filed progress report for the quarter ending 30.09.2024 (copy enclosed as Annexure 23 of the IA) enclosing Asset Sale Report as required under Regulation 36 of the Liquidation Regulations. The Applicant, vide IA No. 375 of 24, also sought extension of liquidation period till 27.03.2024 for the reasons stated therein.
- (xxvi) This Adjudicating Authority, vide its Order Dated 14.10.2024 (copy enclosed as Annexure 24 of the IA), in IA No. 375 of 24, ordered completion of liquidation process of the Corporate Debtor within the extended period of ending on 27.03.2025. Further, the Asset Sale Report filed by the Applicant was taken on record.
- (xxvii) The Respondent on 27.11.2024, remitted the balance amounts of Rs.64,72,65,858/- by RTGS to the account of the liquidator towards the balance consideration along with applicable interest thereon. The copy of the email dated 28.11.2024 received from the Respondent has been enclosed as Annexure 25 of the IA.
- (xxviii) The entire sale proceeds received by the Respondent were deposited in the designated account maintained by the liquidator with the Punjab National Bank, Gandhinagar Branch, Hyderabad. A copy of the Bank Statement reflecting the receipt of all the amounts has been enclosed as Annexure 26 of the IA.
- (xxix) Pursuant to receipt of entire sale consideration together with interest for the delayed period, the Applicant issued a "Certificate of Sale" (copy



enclosed as Annexure 27 of the IA) to the Respondent on 03.12.2024, followed by possession of all the assets of the Corporate Debtor.

- (xxx) The Promotor and the other operational creditors moved separate applications vide IA No. 330 of 24 and IA No. 351 of 24 respectively challenging the auction and the same are pending for adjudication with this Adjudicating Authority.
- (xxxi) The Respondent, vide IA No. 414 of 24 sought certain reliefs and concessions, which was dismissed as withdrawn by this Adjudicating Authority, vide its Order dated 08.11.2024 (copy enclosed as Annexure 28 of the IA).
- (xxxii) The Respondent, vide email letter dated 24.09.2024 (copy of the Term Sheet enclosed as Annexure 29 of the IA), approached the Applicant with certain representations for reliefs and concessions in order to revive the Corporate Debtor and smooth transition/ effective acquisition of the Corporate Debtor as a going concern, which is consistent with the provisions of the Code.
- (xxxiii) The liquidator has complied with the requirements of Regulation 42(1) on 02.12.2021, when he filed the preliminary report and Asset Memorandum enclosing the list of stakeholders in the form of a Memo. The liquidator is in the process of distribution of proceeds in accordance with the provisions of Section 53 to the Stakeholders.
- (xxxiv) After the sale of the Corporate Debtor as a going concern, the claims of any stakeholder of the Corporate Debtor prior to such sale (i.e. date of issue of sale certificate), cannot be foisted upon the Successful Bidder.



The Successful Bidder, even at the stage of liquidation, cannot be burdened with past liabilities. In the interest of beneficial liquidation of the Corporate Debtor, it is imperative that the sale of the Corporate Debtor as a going concern to the Respondent be taken on record and pass an order directing extinguishment of all claims of the creditors of the Corporate Debtor in accordance with the provisions of the Code in view of the 'clean slate' mechanism contemplated under the provisions of the Code.

**REPLY OF THE RESPONDENT:**

3. The Respondent filed its reply vide Diary No. 567 dated 07.04.2025 stating that:;
- (i) The present IA filed by the Applicant is for reporting to this Adjudicating Authority regarding completion of sale of the Corporate Debtor as a going concern in accordance with the provisions of law contained in Regulation 33(1) in the manner specified in Schedule-I of the Liquidation Regulations to the Respondent in accordance with the terms and conditions in the Process Document dated 21.08.2024, as the Liquidator has received the entire sale consideration, together with interest, as per the said Process Document.
- (ii) The Applicant has prayed for grant of reliefs and concessions as sought by the Respondent in its communication dated 24.09.2024 (copy enclosed at Annexure 29 of the IA), which are listed below

S.N.	Particulars	Concession/ Reliefs/ Directions sought
<b>EXTINGUISHMENT OF LIABILITIES AND CLAIMS</b>		
1.	Deemed issue of No objection by Creditors	The creditors (secured or unsecured) of the said Company shall be deemed to have issued no objection on the Acquisition Date and any security created in favour of the secured creditors over the assets of the Corporate Debtor shall be released, extinguished and all the financing and



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		security documents shall stand terminated without any further act of the said Company; it is further prayed that the secured creditors shall be directed to return all the title deeds and documents deposited with the respective secured creditors to the Company/Applicant.
2.	Cessation of all past liabilities and claims.	A direction that any Claim that may arise post the Liquidation Commencement Date including Claims under Applicable Law, contract, judicial/ quasi-judicial proceedings, disputed or undisputed, disclosed or undisclosed, crystallized or otherwise which relate to the period on or prior to the issuance of sale certificate by the Liquidator, shall pose no additional liability (whether financial, contractual, performance or otherwise) on the Applicant or Corporate Debtor.
3.	Extinguishment of Corporate Guarantees.	A direction that all corporate guarantees or any Claim made under any guarantees issued by the Corporate Debtor on behalf of any third party(ies) shall stand extinguished as on the date of issuance of sale certificate and the beneficiaries of such guarantees shall be expected to recover the monies with respect to uninvoked guarantees from the principal borrower; and for any shortfall, they shall not have any recourse against the Corporate Debtor and/or the Applicant.
4.	Treatment of Related Party Claims (For the purposes of this Clause, the term Related Party shall include erstwhile promoters; shareholders, directors of the Company and their relatives)	All claims against the Company by any related party and all liabilities of the Company towards any related party, as on and for the period prior to Effective Date i.e., NCLT Approval Date, shall be deemed to be owed and due as of the liquidation commencement date. All such liabilities shall immediately, irrevocably and unconditionally stand fully and finally discharged and settled with there being no further claims whatsoever (against the Company and/ or the new management of Company), on the Effective Date pursuant to the NCLT Approval Order. The order of the NCLT approving the Term Sheet shall operate as automatic extinguishment of all other liabilities of the Company, without the requirement of any further act or deed by the Acquirer and/or Company.
5.	VAT/ Income Tax/ Customs Duty/ waiver	Upon payment to statutory authorities as proposed under the Term Sheet and provisions of Sec 53(1), no further amounts will become due and payable by the Company after the Term Sheet is approved by NCLT. These authorities will be required to drop all proceedings against the Company upon approval of the Term Sheet by NCLT.
6.	Contingent and other operational liabilities	Other than the claims and dues reported in the EAuction Process Memorandum and the List of Stakeholders, whether confirmed or disputed, all others claims whether or



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		<p>not filed before the Liquidator, or having filed but not admitted by the Liquidator shall stand irrevocably extinguished and cancelled.</p> <p>It is proposed that other than the stakeholders reported in the E-Auction Process Memorandum and the List of Stakeholders, operational creditors of the Company (within India or elsewhere) including the stakeholders who have not submitted their claims in the CIRP process to the Liquidator or whose claim has not been admitted by Liquidator, shall be deemed to have been settled or waived off as per the above terms of the Term Sheet.</p> <p>Additionally, any operational debt incurred by the Company on or after the liquidation commencement date shall be paid in the normal course of business. Additionally, all proceedings against the Company by any operational creditor in any court of law /forum/ panel of arbitrators or any other adjudicating authority in India or elsewhere shall stand dismissed and no fresh / further proceedings can be commenced against the Company for any cause of action occurring on or before the date of approval of the Term Sheet.</p> <p>Any award / order / judgment / decree in any court of law / forum / panel of arbitrators or any other adjudicating authority in India as well as outside India against the Company/ Company shall stand discharged. No execution proceedings for any such award / order/ judgment / decree shall remain pending or can be given effect to or allowed against the Company in India or elsewhere after the Closing Date.</p>
7.	Legal Cases	<p>All the litigation s which have been initiated by the Secured Creditors either pending before DRTs and also before any local court/ city court, have to be withdrawn, confirming that the complete cases have been withdrawn and no further liability or claim shall be made and/or entitled against the Company. Any award/order/judgment/decree in any court of law / forum / panel of arbitrators or any other adjudicating authority in India as well as outside India against the Company/Company shall stand discharged. No execution proceedings for any such award / order / judgment / decree shall remain pending or can be given effect to or allowed against the company in India or elsewhere. Any claim for contingent liability of the Company over and above captured in the E-Auction Process Memorandum shall stand fully discharged/ settled/ waived as per the provision of the Code.</p>
8.	Waiver of past water dues.	<p>On an application filed by the Applicant before the respective department / authorities, a direction for waiver of any liabilities in relation to any water dues of the Corporate</p>



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		Debtor to any State Government or Central Government Department as on the Liquidation Commencement Date.
9.	Waiver of past electricity dues.	On an application filed by the Applicant before the respective department / authorities, a direction for waiver of any past liabilities in relation to any electricity dues of the Corporate Debtor to any State Government or Central Government Department before the Liquidation Commencement Date.
10.	Cessation of inquiries	A direction that all inquiries, investigations, assessments, notices, causes of action, suits, claims, disputes, litigations, arbitration, or other judicial, regulatory or administrative proceedings against, or in relation to, or in connection with the Corporate Debtor or the affairs of the Corporate Debtor ( other than against the Erstwhile Promoters or former members of the management of the Corporate Debtor), pending or threatened, present or future, in relation to any period prior to the Acquisition date or arising on account of the Acquisition shall be deemed to be withdrawn or dismissed from the date when this Tribunal passes an order in the present Interlocutory Application
	<b>TAX RELATED RELIEFS</b>	
11.	Ability to utilize Service Tax credit etc. in the books of the Company	In case of non-maintenance of requisite records or non-filing of the returns by the Company, which has resulted in lapse/ineligibility of the said benefits, under the new GST regime, benefits to be available on retrospective basis / reinstated, without fees / penalties.
12.	Waiver/Exemption/ Reliefs under the Income Tax Act, 1961	Income Tax Department to grant relief under Section 28(iv), Section 41(1), Section 56, Section 115 JB, and Section 170 against any Income Tax liability arising due to Capital Reduction in the Corporate Debtor, write off/ write down/ write back of various liabilities, including liabilities pertaining to all the Financial Creditors, Workmen and Employees, Operational Creditors, Other Creditors, write back of impairment of assets, investments, inventories, trade & other receivables, loans & advances, and other current & non-current assets etc. without any impact on carried forward loss and further waive all liabilities whether crystallized or not in respect of Taxes (including interest and penalty thereon) pertaining to the period prior to the date on which the Acquirer takes control of the Company Debtor ('Closing Date').
13.	Liability which may accrue under provisions of MAT and other sections of Income Tax Act	Approval of the Term Sheet will be treated as waiver by NCLT for any liability (includes Tax, MAT, interest, fine, penalty etc.) against the Company, Acquirer on account of various actions proposed in the Approved Term Sheet including but not limited to liabilities, if any, under Section



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		<p>56, Section 43, Section 28, Section 115JB and Section 79 of the Income Tax Act, 1961.</p> <p>Post the payment as per the terms of the Term Sheet, the excess of the consideration paid shall be written off completely by the financial creditors and any liability in respect of MAT or any other tax liabilities arising pursuant to such write off shall be waived and no demand pertaining to the said write off shall be raised to the Company or the Acquirer by the Income Tax Authorities. Further, the Company shall also be exempted from any tax liability (including on account of MAT) as may arise on account of various steps as proposed in the Term Sheet, including but not limited to tax liabilities, if any (under Section 41 (1), Section 56, Section 28 and Section 115JB, arising on account of write back assignment/ resolution of book value of debt of financial/operational creditors in excess of the settlement consideration to those creditors), levies, fees transfer charges, transfer premium, cess and surcharge that arise from or relate to implementation of the Term Sheet; without any impact on the ability of the Company to carry forward the accumulated losses.</p>
14.	Carry forward of losses	To obtain fiscal viability, the Company shall be allowed to carry forward and set off the accumulated business losses, un-absorbed appreciation, accumulated capital losses etc., as per Income Tax Act, 1961, against the income of the subsequent years under the income tax laws after take over (100% acquisition) of the Company by the Acquirer and also the business/capital losses lapsed during the last five assessment years for further period of eight assessment years subsequently total assessment year in which the Term Sheet is approved by the NCLT.
<b>REGULATORY COMPLIANCE AND WAIVERS</b>		
15.	Grace period to comply with various future statutory / regulatory requirements	Six (6) months grace period (from the date of NCLT approval) to be provided to the Company to comply with the provisions of the various Acts / Regulations, to enable Company to ascertain the status of various compliances and take necessary steps to regularize the same. During grace period, no additional charges/ fees etc. to be charged including on account of interest, penal interest, penalty, interest on penalty, any kind of late fee or damages.
17.	Liabilities accrued/may accrue under various Acts & laws	Approval of the Term Sheet will be treated as Waiver / Approval from past liabilities, payments of fees and all dues including any penalties as well as any form of payment by way of interest, late fees, damages etc., related to all Government Authorities with regard to non-compliances of various statutes to be adhered related to consent, fees,



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		<p>certification etc. by the Company prior to the Effective Date which is inclusive but not exhaustive of</p> <ul style="list-style-type: none"> <li>• Factories Act, 1948</li> <li>• Industrial Disputes Act, 1947</li> <li>• Payment of Wages Act, 1936</li> <li>• The Minimum Wages Act, 1948</li> <li>• The Employees State Insurance Act, 1948</li> <li>• The Employees Provident Fund and Miscellaneous Provisions Act, 1952</li> <li>• The Bonus Act, 1965</li> <li>• The Payment of Gratuity Act, 1972</li> <li>• Legal Metrology Act, 2009</li> <li>• Negotiable Instruments Act, 1881</li> <li>• Environment (Protection) Act, 1986</li> <li>• Water (Prevention and Control of Pollution) Act, 1981</li> <li>• Air (Prevention and Control of Pollution) Act, 1974</li> <li>• Hazardous Waste (Management and handling) Rules, 1989</li> <li>• Goods and Service Tax</li> <li>• State Fire Safety Act</li> <li>• The MSME Act</li> <li>• Electricity Act, 2003</li> <li>• Trademarks Act, 1999</li> </ul> <p>The waiver also includes any dues relating to interest, penal interest, penalty, interest on penalty, any kind of late fee as well as damages known by any other name.</p>
	<b>ASSETS RELATED RELIEFS</b>	
18.	Vesting of Assets of the Corporate Debtor.	A direction that each asset (including properties, whether freehold, lease rent, leasehold or license basis) of the said Company shall be vested in totality in the said Company free and clear of all charges, lien and encumbrances from the Acquisition Date.
19.		A direction that the change in control of the said Company pursuant the sale and transfer of the said Company as going concern shall not constitute any transfer of such lands under Applicable Laws and accordingly no further deed or thing shall be necessary to be complied with by the said Company under the applicable truces laws and it shall be deemed that all such statutory compliances have stood complied with on the Acquisition Date so that the said Company continues to enjoy continuous ownership, use, possession and occupation of the lands in question without any interruption



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		or objections or obstructions in order to keep the said Company a going concern.
20.	Intangible Assets of the Corporate Debtor.	A direction that upon approval of this application by the Adjudicating Authority, all the intangible assets (including Brand Name and Intellectual Property Rights) belonging to the Corporate Debtor shall remain vested with the Corporate Debtor. The erstwhile Promoters or any member, or associate of the erstwhile Promoter groups shall be restrained from using whether directly or indirectly, any of the IPR owned by the Corporate Debtor including but not limited to IPR brand name, drawing, design developed or procured in the past by Corporate Debtor, directly or indirectly. In addition, Erstwhile Promoters and Promoter groups shall also be restrained from transferring any such IPR or any intangible assets to any other person whether related to them or not.
21.		Appropriate direction to any government authority/ statutory body to permit the Applicant or assigns under any law, rules, regulations, notifications, circulars, guidelines, policies, etc. to dispose of any assets or asset class that is no longer required under the plant operations revival plan of the Operating Company.
<b>LICENSE AND PERMIT CONTINUATION</b>		
22.	Continuation of Licenses	All subsisting consents, licences, permits, approvals, rights entitlements, warranties, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the said Company is entitled to, shall notwithstanding any provision to the contrary in their terms and irrespective of the commencement of the insolvency/liquidation proceedings under the Code, in relation to the said Company be deemed to continue without disruption free from security interest, encumbrance, claim, counterclaim or any demur, for the benefit of the said company save and except the contracts and arrangements which shall be terminated by the said Company / Applicant. Central / State Government Departments / Local Bodies to renew/ issue fresh licenses/ permissions / approvals on application of the same within 30 days of the Application. Subject to applicable laws, temporary License shall be granted / provided to operate the Business / Factory Operations within 7 days of application for the Interim Period if required. Any liability arising on account of unfulfilled export obligations will not be fulfilled by the reconstituted Company and the same shall stand extinguished.



<b>S.N.</b>	<b>Particulars</b>	<b>Concession/ Reliefs/ Directions sought</b>
23.	Licenses to continue	A direction that all subsisting consents, licenses, permits, approvals, rights, entitlements, benefits and privileges whether under contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled shall, notwithstanding any provision to the contrary in their terms and irrespective of the commencement the insolvency/liquidation proceedings under the Code, in relation to the Corporate Debtor be deemed to continue without disruption for the benefit of the Corporate Debtor and all additional licenses, registrations, permits, allocations and consents required by the Corporate Debtor be made available by respective relevant agencies immediately from the Date of the Acquisition.
<b>CHARGES AND SECURITIES</b>		
24.	Satisfaction of charges by the RoC	A direction to the Registrar of Companies to record satisfaction of all charges that have been created and remained unsatisfied prior to the Date of Acquisition and the liquidator to submit necessary compliance including filing of prescribed returns in this regard with the Registrar of Companies and making necessary entries thereof in the Statutory Records of said Company. This order shall be sufficient proof to enable the liquidator to satisfy the charges in the records of the Registrar of Companies and other statutory and legal regulatory authorities
25.	Release of Charges by RoC	A direction to the ROC to release all charges on the assets of the Corporate Debtor and record that there are no liabilities in the company as on the date of grant of relief in this application.
<b>LIQUIDATOR'S RESPONSIBILITIES</b>		
26.	Direction to Liquidator for handover of assets	A direction for the Liquidator to cooperate and provide all necessary support and assistance to the Applicant including handing over all papers, documents, relevant letters/notices, fixed asset register of the said Company, etc. for the period prior to the Acquisition Date and that he shall provide all support and assistance to the Applicant for smooth takeover of the Corporate Debtor as a going concern including but not limited to perfecting / amending/ modifying/ creating the land records in relation to all parcels of land, the immovable properties and assets, belonging to the Corporate Debtor or in favour of the Corporate Debtor. The Liquidator further be directed to transfer to the account of the Corporate Debtor all amounts realized from debtors of the Corporate Debtor during the liquidation process, including any amount recovered from statutory authorities.



S.N.	Particulars	Concession/ Reliefs/ Directions sought
27.	Direction to Liquidator to complete filings.	A direction to the Liquidator that all the compliances for the period up to the Acquisition date including filing of necessary documents and returns with the Registrar of Companies, Income Tax Authorities or any other Government Statutory Authorities should be completed.
<b>WORKFORCE RELATED RELIEFS</b>		
28.	Reorganization of workforce	The Acquirer would be free to re-organize staff, employees and workers without any kind of burden/obligation resulting from the preacquisition operations and to design its own model of employment which includes contractual, fixed term, in the form of consultants, on probation, on a regular basis from anywhere with
29.	Extinguishment of workmen contracts	Approval of the Term Sheet will be treated as Specific Order and Approval by NCLT that any contract subsisting with respect to workmen /contractual labour before the approval of Term Sheet shall be duly extinguished and be ineffective.
<b>BANK GUARANTEES AND CONTINGENT LIABILITIES</b>		
30.	Bank Guarantees, if any	<p>The Acquirer shall not be liable for any payment arising out of contingent liabilities which may include liabilities on account of bank guarantees issued on behalf of the Banks, indemnity bond, promissory note or any kind of promise even if not mentioned here, given to Customer or any other entity including statutory authorities viz. income tax, sales tax, service tax, excise duty, custom duty and any other duty, tax, cess, levies etc. due to Central, State or any local government bodies whether or not mentioned in the E-Auction Process Memorandum.</p> <p>The Acquirer agrees that in the event of receipt of any original document pertaining to such contingent liabilities (BG's/ bonds/ promissory notes) upon return/ cancellation/ annulment of the underlying obligations under such documents, arrange for the same to be handed over to the concerned banks/ or as the case may be, to the person who had executed such document.</p>
<b>RECONSTITUTION AND REORGANISATION OF THE CORPORATE DEBTOR</b>		
31.	Extinguishment of shares	A direction that the existing shares (held by the erstwhile promoters and shareholders as on Liquidation Commencement Date) of the Corporate Debtor shall be extinguished without any consideration, and rights and liabilities arising out of the same shall also be extinguished. No approval/consent shall be necessary for cancellation of the existing share capital of the said Company in terms of Section 66 and other provisions of the Companies Act, 2013 and other applicable laws and there shall be no requirement



S.N.	Particulars	Concession/ Reliefs/ Directions sought				
		to add "and reduced" in the name of the Corporate Debtor. Any consideration payable to the shareholders of the company, including any due towards any unpaid dividend, share application money etc. shall stand extinguished.				
32.	Re-constitution of Board of Directors	<p>A direction that from the date of approval of the present Application, the existing directors shall be discharged without any further orders or permission required, and that the Board of Directors of the Corporate Debtor shall be reconstituted.</p> <table border="1"><thead><tr><th>Name of the person</th><th>DIN</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Name of the person	DIN		
Name of the person	DIN					
33.	Change of Status of the Corporate Debtor from "under liquidation" to "active"	A direction that on and from the present Order by this Hon'ble Tribunal, the status of the Corporate Debtor in the records of the relevant Registrar of Companies should be reflected as "Active" from the status of "under liquidation"				
34.	Balance Sheet	A Direction that on and from the date of issuance of certificate of sale of corporate debtor as going concern by the Liquidator, the takeover Balance sheet of the Corporate Debtor be drawn up and accepted by various statutory bodies like the Registrar of the Companies, Income Tax Dept., etc.				
		<b>OTHER RELIEFS</b>				
35.	Contracts and Transactions	<p>A direction and declaration that the Corporate Debtor shall not be liable on account of any transaction, dealing, or arrangement between it and any other person relating to the period prior to the issuance of sale certificate as going concern by the Liquidator.</p> <p>It is clarified that any existing and on-going contracts between the Corporate Debtor and any other person shall continue to be valid and binding between the parties as per their terms; provided, however, that the Corporate Debtor shall bear no liability for any claim for compensation or damages arising out of any act or omission prior to the date of grant of relief in the present application.</p> <p>The Acquirer shall, in its sole discretion, have the right to renegotiate the terms of all agreements or terminate all agreements executed by the Company with any third party(ies) including related parties, without any additional liabilities, penalties or other onerous obligations accruing to the Company or the Acquirer on the Closing Date (Date on which the acquirer takes control of the Corporate Debtor).</p>				



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		It is clarified that such third parties will not have the right to terminate their agreements with the Company without the prior written consent of the Company.
36.	Liberty to approach Tribunal for additional reliefs	A direction that the Corporate Debtors/the Applicant shall be at liberty to approach this Hon'ble Tribunal to address any difficulty faced with respect to the acquisition- of the Corporate Debtor as a going concern.
37.	Cancellation/ Termination of all existing Negotiable Instruments issued by or on behalf of the Company	As on the Liquidation commencement date, all Termination of all existing Negotiable Instruments issued by or on behalf of the outstanding negotiable instruments, issued by Company or any other person on behalf of Company shall be deemed to have been cancelled/ shall stand terminated and no liability shall arise on the same.
38.	Power of Attorneys	The Acquirer shall be entitled to review all the power of attorneys provided to any person by the Company and at its sole discretion, be entitled to revoke all or any powers and/ or replace the attorney (s) appointed thereunder.
39.	Waiver of Valuation of Pricing of Shares by Registered Valuer	Approval of this Term Sheet by NCLT will be treated as waiver of the requirements of the Valuation of Pricing of Shares by Registered Valuer to be computed for Issuance of Equity Shares through Preferential Allotment / Warrants / Preference Shares / Convertible Debentures to Acquirer for a period of 24 Months.  The request for such waiver is due to the fact that current valuation of the Company on the basis of book value or net assets value basis realizable valuation of assets adjusted to current liabilities or discounted cash flow of the business will be "negative", whereas the Acquirer is paying revised face value considering the future business potential of the Company.
40.	Disqualification under IBC	Neither the Acquirer, nor any of its Affiliates or connected persons, will be disqualified from or considered ineligible under the Code for proposing and /or implementing a term sheet in relation to the insolvency resolution of any person (other than the Company), merely on account of the implementation of this Term Sheet by the Acquirer.
41.	Preferential Transaction	In the event of any preferential transaction, the Acquirer shall initiate/continue the proceedings at its own cost the cases with appropriate authority to restore back those preferential transaction into the Company account. Further, the Acquirer shall not be impacted and will be kept indemnified financially or otherwise against any of the negative impact / observation / findings of Forensic Audit. The Acquirer and the Company shall not be impacted and will be kept safeguarded against any of the negative impact / observation / findings of Forensic Audit. Further neither the



S.N.	Particulars	Concession/ Reliefs/ Directions sought
		Company nor any member of the new promoter group shall be made party to any proceedings (legal or otherwise) arising out of such forensic audit.

- (iii) The Respondent has sought the above reliefs and concessions, directions, approvals and exemptions in order to revive the Corporate Debtor and smooth transition/ effective acquisition of the Corporate Debtor as a 'going concern' and on a 'clean state mechanism', so that the purpose of turning around the Corporate Debtor to maximise the value of its assets and ensure welfare of all its stakeholders to accomplish the objects and purposes of the IBC enshrined in its Preamble. Without these measures, the challenges of acquiring and turning around the Corporate Debtor will put the Respondent to great hardships, potentially impacting the financial viability of the acquisition and complicating the revival process.

4. After hearing both the Counsels of the Applicant/ Liquidator and Respondent/ SRA, this Adjudicating Authority vide its Order dated 07.05.2025, reserved the matter for orders.

**WRITTEN SUBMISSIONS OF RESPONDENT:**

5. ***Even though, no direction was given to either of the parties to file the Short-Written Submissions, the Respondent, without leave of this Adjudicating Authority, filed Short Written Submissions*** vide Diary No. 906 dated 09.05.2025, wherein, apart from reiterating the contentions raised in its reply, it has been stated by the Respondent:

- (i) The customary statement of '**as is where is**' '**as is what is**' '**whatever their is**' '**without any recourse**' in public sale notice found place in auction



sale notices conducted by banks and financial institutions by invoking the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as the “**SARFAESI**”), where the 'enforcement of security interest' by them is primarily undertaken after the account of borrower became a Non Performing Asset (hereinafter referred to as the “**NPA**”) having consequences on bank's balance sheets due to 'provisioning norms' of Reserve Bank of India (hereinafter referred to as the “**RBI**”) and the banks and financial institutions cannot be dragged into 'litigations' by the successful bidders on any pretext. But the auction sales under IBC either during CIRP or liquidation stages have different connotation. These are purely judicial matters unlike those of SARFESI actions by banks and financial institutions and ultimate purpose is in the Preamble of the IBC i.e. 'maximization of value of assets' and 'promoting entrepreneurship', when the existing entrepreneurs failed in carrying on the affairs of the companies successfully. Therefore, number of judicial pronouncements of Hon'ble NCLTs, NCLATs, Supreme Court of India justify the grant of various reliefs and concessions and encourage 'revival' of insolvent companies in 'public interest'. Merely stating the above words such as 'as is where is' etc. does not obviate the broader objectives of IBC, nor override the doctrines and principles enunciated in catena of judgments of the above Tribunals and Hon'ble Supreme Court of India.

- (ii) Before the issue of final sale certificate, the Respondent also submitted a Term Sheet dated 24.09.2024 (copy enclosed at Annexure 29 of the IA) seeking certain reliefs and concessions to ensure the Corporate Debtor



acquired as a 'going concern' at liquidation stage would be operating to maximise the value of assets, when put into operation without any hindrances and obstructions from various authorities in giving their permissions etc., so that there would be genuine reliefs and concessions to go forward keeping in view the special nature of business of the Corporate Debtor.

- (iii) When advised by the Liquidator to approach this Adjudicating Authority by filing an IA(IBC)/414/2024 in the matter of seeking certain reliefs and concessions for the Company to run as a 'going concern', a suggestion came from this Adjudicating on 08.11.2024 that the IA should be filed by the Liquidator and not by the Successful Bidder. Accordingly, the Respondent sought permission to 'withdraw' the said IA(IBC)/414/2024 (copy enclosed at Annexure-28 of the IA), which is only technical withdrawal and no adjudication took place.
- (iv) Subsequently, the Applicant Liquidator filed the present IA reporting completion of the sale of the Corporate Debtor as a going concern and sought grant of reliefs and concessions for facilitating a successful revival of the Corporate Debtor. The twin primary objects of the IBC enshrined in the Preamble itself is the 'maximization of value of assets' and 'to promote entrepreneurship'. The value of assets acquired under the sale supra are much more than the average valuations of liquidation value of Rs.58,25,93,362/- against which the Respondent paid much higher consideration Rs.75.10 crore and thus maximized the value of assets. Coming to the second objective of IBC, i.e. 'promoting entrepreneurship' is concerned, it cannot be promoted, when the successful bidder is saddled



with certain impediments, obstructions and roadblocks in implementing the revival programme in a time bound manner.

- (v) The legislature gave the powers to this Adjudicating Authority to grant prayers keeping in view the binding nature of the approved plans by the CoC at CIRP stage and by SCC, where all the Financial Creditors and other stakeholders were part of the approval process and in their 'wisdom', the Respondent was considered to be capable of running the Corporate Debtor as a going concern by serving the interests of various stakeholders including the government and society at large and serve public interest as well. The top ranking responsible public sector banks i.e. Bank of Baroda, Central Bank of India, and Bank of India together constituting 81.893% have considered all aspects of the proposal and in their 'wisdom' approved the bid of the Respondent.
- (vi) It is general experience in the case of this nature that the suspended previous management/ promoters grind their own axe to trouble the Successful Bidders and on flimsy and untenable grounds keep on filing Applications after Applications, go on appeals even up to Hon'ble Supreme Court only to frustrate the revival plans of the Corporate Debtor mismanaged by themselves all along. Such Applications and appeals have zero credibility and any case law does not support them in preventing revival and maximization of value of assets through the legislative measures enumerated in the IBC, rules/ guidelines framed thereunder and declared principles/ doctrines by Hon'ble Supreme Court of India since early days of IBC.



(vii) The Respondent strongly relies on the latest judgment of **Hon'ble NCLAT, Principal Bench, New Delhi pronounced on 13.02.2025 in the case between Anuj Bajpai vs. Inderdeep Construction Company and Ors., 2025 SCC OnLine NCLAT 316.**

**ANALYSIS AND FINDINGS:**

6. We have heard the Counsels for both the Applicant Liquidator and Respondent Successful Bidder and have also perused the records carefully.

7. It is noted that Earlier the Respondent has filed IA(IBC)/414/2024 for the same/similar reliefs and concessions. It has been stated by the Respondent in its Short-Written Submission that the IA(IBC)/414/2024 was withdrawn by the Respondent, as a suggestion came from the Bench on 08.11.2024 that the Application should be filed by the Ld. Liquidator and not by the Successful Bidder. However, we note from the Order dated 08.11.2024 of this Adjudicating Authority that no such observation is recorded in the Order dated 08.11.2024. The relevant extract of the above Order is reproduced below:

*Sl. No. 2*

**NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATI BENCH  
(Virtual Hearing)**

**PRESENT: SHRI RAJEEV BHARDWAJ – MEMBER (JUDICIAL)  
: SHRI SANJAY PURI – MEMBER (TECHNICAL)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 08.11.2024 AT 01:00 P.M.**


TC/CP. Nos.	IBC Stage	Present stage of the case	Section/Rule	Name of Parties
TCP(IB)/41/9/AMR/2019	Under Liquidation	Under Liquidation	9 of IBC	Priya Trading Company Vs Veda Biofuel Ltd
	IA(IBC)/414/2024	For admission	U/s 60(5) (c) of the IBC, 2016 R/w Sec 32A of IBC, 2016 R/w Rule 11 of the NCLT Rules, 2016	Consortium of M/s. M.S.Biotech Pvt Ltd Vs. Dr.Kondapalli Venkata Srinivas, Liquidator of M/s. Veda Biofuel Ltd

**ORDER**

**IA(IBC)/414/2024:**

**Present:** Dr. S.V. Ramakrishna, Ld. Counsel for the applicant.  
Mr. Y. Suryanarayana for Liquidator.

Ld. Counsel for the Applicant wants to withdraw this application. Hence, recording the said submission, IA(IBC)/414/2024 is dismissed as withdrawn. Accordingly, IA(IBC)/414/2024 is disposed of.

  
**SANJAY PURI  
MEMBER (TECHNICAL)**

  
**RAJEEV BHARDWAJ  
MEMBER (JUDICIAL)**



It is clear from the above Order that neither the IA(IBC)/414/2024 was withdrawn nor the present IA has been filed based on the direction/ advice of this Adjudicating Authority.

8. We also observe that the Applicant in its Short-Written Submission has placed on the reliance on the judgment of the Hon'ble NCLAT, New Delhi, in the matter of *Anuj Bajpai vs. Inderdeep Construction Company and Anr.* (supra), however, we note that the paras 12, 13 and 14 relied upon by the Applicant are the submission by the parties and not the operative part of the judgement. Further, the said judgement is not on the petition seeking reliefs and concessions and primarily deals with the Regulation 32A(4) of the Liquidation Regulations as amended by Notification No. IBBI/2022-23IGN/REGO94 dated 16.09.2022, which substituted the Regulation 32A(4) from "*If the liquidator is unable to sell the corporate debtor or business under clause (e) or (f) of regulation 32 within ninety days from the liquidation commencement date, he shall proceed to sell the assets of the corporate debtor under clauses (a) to (d) of regulation 32*" to "*The liquidator may sell the assets of the corporate debtor under clause (e) of regulation 32 exclusively only at the first auction.*" Therefore, the judgement relied upon by the Applicant is not applicable in the present case.

9. We note that the Applicant on one hand has prayed in the IA to allow the reporting completion of sale in accordance with the terms enshrined in the Process Document dated 21.08.2024 on an "as is where is" "as is what is" "as is how is" "whatever there is" and "no recourse basis" and on the other hand has prayed for reliefs and concessions, which are not part of the Process Document. The relevant part of the sale notice (Process Document) is reproduced below:



**SALE NOTICE under IBC, 2016**  
**VEDA BIOFUEL LIMITED (in Liquidation)**  
**CIN - U24100AP2010PLC070652**  
Liquidator's Office: # 6-3-249/6, "Alcazar Plaza & Towers", Road No. 1, Banjara Hills, Hyderabad – 500 034  
email – [liquidator.vbfl@aaip.co.in](mailto:liquidator.vbfl@aaip.co.in)

**E-AUCTION**

Notice is hereby given to the public at large for inviting bids for Sale of the Assets of M/s. VEDA BIOFUEL LIMITED (in Liquidation) having its registered office at H.No.50-50-15/2, Seethammadara Behind Gurudwara, Visakhapatnam, Andhra Pradesh, India – 530013 Sale as a Going Concern by the Liquidator, appointed by the Hon'ble National Company Law Tribunal, Amaravathi Bench, vide order dated 03.09.2021.

Description	Date and time of auction.	Reserve Price	EMD (Refundable)	Bid increment Amount
Corporate debtor as a whole (as a going concern basis)	16 <sup>th</sup> September 2024 IST: 12:00PM to 02:00PM	Rs.75.00 Crores	Rs.7.50 Crores	Rs.0.10 Crores

1. The Sale will be done by the undersigned through e-Auction platform <https://nesl.co.in/> (With unlimited extension of 5 mins each).
2. The sale is on "as is where is", "as is what is", "whatever there is", "without any recourse" basis.
3. For detailed terms & conditions of e-Auction sale refer COMPLETE E-AUCTION PROCESS DOCUMENT can be obtained by sending an email to the Liquidator at [liquidator.vbfl@aaip.co.in](mailto:liquidator.vbfl@aaip.co.in), Ph. No. 9959223615 or can also be obtained by sending an email to Mr. S Upendra Reddy, Email : [csupendrareddys@gmail.com](mailto:csupendrareddys@gmail.com), Ph. No 7799278523.
4. For E-Auction details & participation, contact Mr. Araventh S E, Phone No. 93846 76709, Email: [araventhase@nesl.co.in](mailto:araventhase@nesl.co.in) OR Gunjan Narula, Phone No. 8178446956, Email: [gunjann@nesl.co.in](mailto:gunjann@nesl.co.in).
5. The last date and time for submission of Expression of Interest (EOI) by the interested bidders is IST 5:00 PM on 04.09.2024.
6. Inspection Date & Time 21<sup>st</sup> August 2024 to 4<sup>th</sup> September 2024 during working hours
7. The last date and time for payment of EMD & other forms only by qualified bidders is IST 5:00 PM on 14.09.2024.
8. Interested bidders are requested to visit the above-mentioned websites and submit their bid.
9. The liquidator has the right to accept or cancel or extend or modify any terms and conditions of the e-auction.
10. Any Addendum / clarifications & modification in the e-auction notice or the process document to this e-auction notice will be uploaded in the corporate debtor website [www.vedabiofuel.in](http://www.vedabiofuel.in). No public announcement or paper publication or any other mode will be made.

Place: Hyderabad  
Date : 21.08.2024

Sd/-  
Dr. Kondapalli Venkat Srinivas  
Reg. No. IBBI/IPA-001/IP-PO0520/2017-18/10945  
Liquidator, VEDA BIOFUEL LIMITED  
Email – [liquidator.vbfl@aaip.co.in](mailto:liquidator.vbfl@aaip.co.in)  
[Ip\\_kvs@assetsadvisory.com](mailto:Ip_kvs@assetsadvisory.com)

We observe that the bidders, once participated in the bidding process, are presumed to have accepted these binding terms. Therefore, we are of the considered view that the Successful Bidder is governed by the terms and conditions of the sale



notice/ process documents and therefore cannot seek the reliefs and concessions, which are covered in the sale notice/ process document.

10. The Applicant has also submitted that the relief and concessions sought by the Successful Bidder is necessary in view of the maximisation of value of assets objectives of the IBC. We observe that the objective of maximisation of value of its assets can be achieved only when the relief and concessions to be awarded are part of the bidding document/ sale notice/ process documents in a transparent manner in the public domain and so that the prospective bidders can take a conscious decision, whether to participate in the bid and bid considering the reliefs and concessions, available to them. This would not only ensure more participation of the prospective bidders, but would also result into higher amount of bid. Thus, the reliefs and concessions sought by the Applicant and Successful Bidder is against the principles of maximisation of value of assets of the Corporate Debtor. We also observe that the providing the reliefs and concessions, after the bid is over, would be against the financial discipline and therefore, is not desirable, as it would amount to giving the undue financial benefits to the Respondent in unethical manner. In view of the above, we are not inclined to allow the second prayer in the IA to allow any reliefs and concessions, which was not part of the bidding document.

11. Further, a person, who voluntarily participates in e-auction in a liquidation sale and successfully acquires an asset subject to the disclaimers “as is where is,” “as is what is,” “as is how is,” “whatever there is,” and “on a no recourse basis,” cannot seek any reliefs, concessions, or post-sale modifications. Such a party is estopped from challenging the terms of the sale or seeking recourse, thereafter and must abide by the outcome of the commercial transaction entered into with full knowledge and



acceptance of the attendant risks. The *Hon'ble Supreme Court in its judgment in the matter of KC Ninan vs. Kerala State Electricity Board & Ors., Civil Appeal Nos. 2109-2110 of 2024* has concluded as below

141. To conclude, all prospective auction purchasers are put on notice of the liability to pay the pending dues when an appropriate "as is where is" clause is incorporated in the auction sale agreement. It is for the intending auction purchaser to satisfy themselves in all respects about circumstances such as title, encumbrances and pending statutory dues in respect of the property they propose to purchase. In a public auction sale, auction purchasers have the opportunity to inspect the premises and ascertain the facilities available, including whether electricity is supplied to the premises. Information about the disconnection of power is easily discoverable with due diligence, which puts a prudent auction purchaser on a reasonable enquiry about the reasons for the disconnection. When electricity supply to a premises has been disconnected, it would be implausible for the purchaser to assert that they were oblivious of the existence of outstanding electricity dues.

142. In terms of the legal doctrine of caveat emptor, it becomes the duty of the buyer to exercise due diligence. A seller is not under an obligation to disclose patent defects of which a buyer has actual or constructive notice in terms of Section 3 of the Transfer of Property act, 1882. However, in terms of Section 55(1)(a), in the absence of a contract to the contrary, the seller is under an obligation to disclose material defects in the property or in the seller's title thereto of which he is aware and which a buyer could not with ordinary care discover for himself.

143. While examining the effect of an "as is where is" clause, the facts and circumstances of each case individually, along with the terminology of the clauses governing the auction sales must be taken into consideration, to arrive at an equitable decision.

xxxxxxxxxxxx

328. The conclusions are summarised below:

xxxxxxxxxxxx

"i. the implication of the expression "as is where is" basis is that every intending bidder is put on notice that the seller does not undertake responsibility in respect of the property offered for sale with regard to any liability for the payment of dues, like service charges, electricity dues for power connection, and taxes of the local authorities."

12. In view of the foregoing discussions, we are not inclined to pass any order to provide reliefs and concessions sought by the Applicant/ Successful Bidder. However, we make it clear that what is already covered in the bidding process document as per the provisions of law, the liquidator is not required to approach this Adjudicating Authority at the first instance.



13. The Applicant has also prayed for completion of sale; however, we observe that there are various pending IAs, wherein the auction sale has been challenged viz. IA(IBC)/351/2024 filed by K. Nageshwar Patro & 12 Others, IA(IBC)/330/2024 & IA(IBC)/327/2024 filed by Mr. Vijay Luar Penmetsa. We also observe that these IAs are pending for adjudication, as there could not be effective hearing, as the pleading in these IAs are not complete. In view of the above, we are not inclined to pass any order for completion of sale at this juncture.

14. Accordingly, **IA(IBC)/41/2025** is **dismissed and disposed of** as being devoid of merit. **No order as to costs.**

**Sd/-**  
**(UMESH KUMAR SHUKLA)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(KISHORE VEMULAPALLI)**  
**MEMBER (JUDICIAL)**

*R Swamy Naidu (PS)*