

(A)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
SPECIAL BENCH – I, CHENNAI**

**IA(IBC)/1424(CHE)/2022 in IBA/446/2019**

*filed under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 and Regulation  
32(E) of the Insolvency and Bankruptcy Board of India (Liquidation Process)  
Regulations, 2016 R/W Rule 11 of the NCLT Rules, 2016*

*In the matter of M/s. Terra Energy Limited*

**M/s, KALS Distilleries Private Limited**

Represented by its director,  
Mr. Sivaprakasam Vasudevan,  
23/5, Thanikachalam Road,  
T. Nagar, Chennai - 600017

*...Successful Auction Purchaser/Respondent*

-Vs-

**1. Mr. Ramakrishnan Sadasivan,  
Liquidator of M/s. Terra Energy Limited**  
Old No.22, New No.28,  
Menod Street, Purasawalkam,  
Chennai – 600 007.

*... 1<sup>st</sup> Respondent/Liquidator*

**2. M/s. Terra Energy Limited,  
Eldorado Building,  
112 Uttamar Gandhi Salai,  
Nungambakkam,  
Chennai – 600 034**

*... 2<sup>nd</sup> Respondent/Liquidator*

*Order pronounced on 27<sup>th</sup> July 2023*

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)**  
**SAMEER KAKAR, MEMBER (TECHNICAL)**

*For Applicant* : R. Vidhya Shankar, Advocate

*For Respondent* : B. Dhanaraj, Advocate

*For Liquidator - R1 & R2*

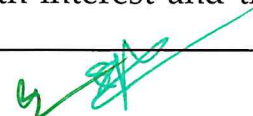
ORDER

**Per: SAMEER KAKAR, MEMBER (TECHNICAL)**

This Application has been filed by M/s. KALS Distilleries Private Limited under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 and Regulation 32(E) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 R/W Rule 11 of the NCLT Rules, 2016 seeking relief as follows;

*"In the above circumstances, the Applicant humbly prays that this Honourable Tribunal maybe pleased to approve the sale of the Corporate Debtor as 'going concern' and grant the concessions/reliefs/waivers sought for and pass such other or further orders as it may deem fit and thus render justice "*

2. The Liquidation of the Corporate Debtor was ordered by this Tribunal on 17.02.2022. The e-auction for sale of the Corporate Debtor as a going concern was conducted on 03.08.2022 and the Applicant herein emerged as the highest bidder for an amount of Rs.23.05 Crores. The Applicant paid the entire sale consideration along with interest and the



Liquidator also confirmed the payment of the entire sum vide his email dated 01.11.2022.

3. The present Application has been filed by the Applicant seeking certain reliefs, concessions and approvals, stating that they are necessary for taking over the Corporate Debtor as a going concern on a clean slate basis.

4. Heard the submissions made by the Learned Senior Counsel for the Applicant. The Learned Counsel for the Applicant, even though has claimed a total of 30 Reliefs and Concessions in the Application, but has restricted itself to only 7 Reliefs and Concessions filed vide additional document dated 24.07.2023 in Diary No. 3061 of 2023. Accordingly, we order as follows;

SL. No	RELIEF AND/OR CONCESSIONS AND APPROVAL SOUGHT BY RESOLUTION APPLICANT	ORDERS THEREON
1	Status of the Corporate Debtor to be changed to "active" in MCA Portal.	GRANTED
2	Permission to restructure the paid-up capital of the Corporate Debtor by extinguishing the existing paid-up capital and substituting it with the investment made by the applicant, in such manner as considered appropriate for the capital base of the	GRANTED

	Corporate Debtor and the Corporate Debtor be not obliged to use the words "and reduced" after the name of the company.	
3	The Applicant be permitted to completely reconstitute the Board of Directors of the Corporate Debtor and the Registrar of Companies do take note of the relevant forms when filed by the Applicant in this regard.	<b>GRANTED</b>
4	<p>Extinguishment of Liabilities as against the Corporate Debtor:</p> <p>a) All claims or demands made by or liabilities or obligations owed or payable to any actual or potential creditors of the Corporate Debtor including Government dues, whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystalized or uncrystalized known or unknown, secured or unsecured, disputed or undisputed, whether reflected in the books of accounts of the Corporate Debtor or not, in relation to any period prior to the e-auction date or arising on account of the acquisition of control by the Applicant over the Corporate Debtor pursuant to the e-auction, will be written off in full and shall stand permanently extinguished.</p> <p>b) All pending litigations against the Corporate Debtor before any court and/or tribunal and/or Arbitration and/or any Quasi-Judicial authority shall ipso facto stand terminated without passing of any order in any manner adverse to the interest of the Corporate Debtor/Applicant and will no longer</p>	<p><b>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</b></p> <p><b>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</b></p>

	<p>be permissible to be prosecuted or enforced against the Applicant or the Corporate Debtor.</p> <p>c) Any and all judgment, decree, order passed by any court and/or tribunal and/or Arbitration and/or any Quasi-Judicial authority shall ipso facto stand extinguished and shall become incapable of execution as against the Corporate Debtor/ Applicant. The Corporate Debtor/ Applicant shall not be answerable to any such judgment, decree or order.</p> <p>d) The charges registered with concerned ROC in respect of encumbrances over the assets of the Corporate Debtor for period prior to E-auction shall stand discharged and satisfied.</p> <p>e) All proceedings initiated against the Corporate Debtor for recovery of monies by all classes of creditors including the secured creditors and these who did not file their claims with the liquidator shall stand, in respect of period prior to e-auction shall stand dismissed and extinguished.</p> <p>f) The secured creditors be directed to handover the title documents and related documents, deeds and papers duly noting discharge of all encumbrances in relation thereto.</p>	<p>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</p> <p>GRANTED</p> <p>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</p> <p>GRANTED</p>
5	<p>Extinguishment of Guarantees given by Corporate Debtor:</p> <p>All liabilities and guarantees extended by the Corporate Debtor whether monetary or non-monetary, statutory, crystallized or uncrystallized,</p>	<p>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</p>



	<p>claimed or not claimed, disputed or undisputed, confirmed or contingent or due or future due, decrees obtained for satisfaction of debt and all such obligations of the Corporate Debtor shall stand extinguished and discharged in full as against the Corporate Debtor.</p>	
6	<p>Extinguishment of Liability for past deeds:</p> <p>a) The liabilities if any, arising out of non-compliance of provisions of any laws, rules, regulations, directors, notifications, circulars, guidelines, policies, approvals, consents or permissions prior to effective date shall stand extinguished against the Corporate Debtor/successful bidder.</p> <p>b) The successful auction bidder/Corporate Debtor shall not be held responsible/liable for any past liabilities of the Corporate Debtor in enquiries, investigations, assessments, notices, criminal cases, civil cases, claims, disputes, litigations, arbitrations or other judicial, regulator, administrative proceedings or in relation to or in connection with the Corporate Debtor prior to E-Auction date,</p> <p>c) The Applicant shall not be liable for any action/responsibility of the Corporate Debtor or its erstwhile management as per the provisions of section 32A of IBC 2016.</p>	<p><b>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</b></p> <p><b>GRANTED, IN TERMS OF SECTION 32A OF IBC, 2016</b></p> <p><b>GRANTED</b></p>
7	<p>Vesting of all assets including Intellectual Property rights and financial assets of the Corporate Debtor:</p> <p>a) All rights, title and interest in whole and every part of the Corporate Debtor continue to vest in the Corporate Debtor and the assets, rights, titles and</p>	<p><b>GRANTED</b></p>



	<p>interest of the Corporate Debtor shall become free from encumbrances, lis pendens, charges, security, interest, claims and counter claims.</p> <p>b) All intellectual property rights of the Corporate Debtor including in respect of Trademark, Patent, Design, whether registered or unregistered shall continue to remain vested with the Corporate Debtor.</p> <p>c) All financial assets including receivables and actionable claims of the Corporate Debtor shall remain recoverable by the Corporate Debtor in accordance with their respective terms.</p>	<p>GRANTED</p> <p>GRANTED</p>
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5. With the above said directions, IA(IBC)/1424(CHE)/2022 stands disposed of.

— Sd —

**SAMEER KAKAR**  
MEMBER (TECHNICAL)

— Sd —

**SANJIV JAIN**  
MEMBER (JUDICIAL)

*Raymond*