



SL. No.1

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

(PHYSICAL HEARING)

**CORAM: JUSTICE TELAPROLU RAJANI – HON’BLE MEMBER (J)
CORAM: SHRI.CHARAN SINGH - HON’BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 23.06.2023 AT 02:30 PM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/839/2023 IA (IBC)/830/2023 in CP (IB) No.678/7/HDB/2018
NAME OF THE COMPANY	Lanco Kondapalli Power Ltd
NAME OF THE PETITIONER(S)	Axis Bank Ltd
NAME OF THE RESPONDENT(S)	Lanco Kondapalli Power Ltd
UNDER SECTION	7 of IBC

ORDER

IA (IBC)/839/2023 and IA (IBC)/830/2023

These applications are partly allowed, vide separate orders.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-II**

**IA No. 830/2023 and IA 839/2023
IN
CP (IB) NO.678/7/HDB/2018**

*[U/s. 60(5) of the Insolvency & Bankruptcy Code 2016, r/w
Rule 32A of the IBBI (Liquidation Process) Regulations, 2016
and Rule 11 of the NCLT Rules, 2016]*

**In the matter of M/s.Lanco Kondapalli Power Limited
(In Liquidation)**

1. IA 830/2023 –

Between:

Mr. Pankaj Dhanuka

Liquidator of M/s.Lanco Kondapalli Power Limited

... Applicant

And

1. Radha Smelters Private Limited

2. Radha Vasavi Assets LLP

... Respondents

Counsel/Parties present:

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For the Petitioner

: Mr. Abhishek Swaroop,
Mr. Anupam Prakash,
Mr. Naman Kamdar
Ms. Shraddha Gupta,
Advocates



2. IA 839/2023 –

Between:

Radha Vasavi Assets LLP and Another

... Applicants

And

Mr. Pankaj Dhanuka

Liquidator of M/s.Lanco Kondapalli Power Limited

... Respondent

Counsel/Parties present:

For the Petitioner

: Mr.Rohit Pogula,
Mr.Tarun Kovvali,
Ms. Disha Agarwal, Advocates

Date of Order: 23.06.2023

Coram:

Hon'ble Justice Smt. Telaprolu Rajani, Member (Judicial)

Hon'ble Shri Charan Singh, Member (Technical)

Heard on: 06.06.2023



[**PER: BENCH**]

COMMON ORDER

- I. The present Applications are filed on behalf of the Liquidator and Successful Bidder of M/s. Lanco Kondapalli Power Limited under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Regulation 32A of the IBBI (Liquidation Process) Regulations, 2016 and Rule 11 of the National Company Law Tribunal Rules, 2016, inter-alia, seeking the following reliefs to the successful bidder to kick start the business of the Corporate Debtor.

Reliefs sought by the Liquidator in IA 830/2023:-

- a. To approve the sale of the Corporate Debtor as a going concern to Respondent No.2, i.e. Radha Vasavi Assets LLP, in accordance with the terms enshrined in the Process Document dated 13.01.2023 on an “as is where is”, “as is what is”, “as is how is”, “whatever there is” and “no recourse basis”; and upon receipt of the balance sale consideration as the said process Document, permit the Liquidator of the Corporate Debtor to issue the sale certificate and transfer ownership of the Corporate Debtor to the Respondent No.2, i.e. Radha Vasavi Assets LLP;



- b. To Grant the reliefs and concessions, as sought, to Respondent No.2 i.e. Radha Vasavi Assets LLP, as particularly detailed in paragraph no.39 of the Application, from the date of issuance of the sale certificate by the Liquidator to the Respondent No.2, i.e. Radha Vasavi Assets LLP, for the sale of the Corporate Debtor as a going concern; and
- c. To Approve distribution of sale proceeds and other monies as are available with the Liquidator in accordance with the requirements of law and as provided in this application.

Reliefs sought by the Successful Bidder in IA 839/2023 (as amended vide IA 898/2023):

- a.To Approve the sale of the Corporate Debtor as a going concern to the SPV of Successful Bidder, in accordance with the terms enshrined in the Process Document dated 13.01.2023 on an “as is where is”, “as is what is”, “as is how is”, “whatever there is” and “no recourse basis”; and allow the Liquidator of the Corporate Debtor to issue the sale certificate to the SPV of Successful Bidder, in relation to the said sale of the Corporate Debtor as a going concern, after approval by this Hon’ble Tribunal, as sought above, and after receipt of the



entire sale consideration for the said sale from the SPV of the Successful Bidder; and/or

- b. Grant the reliefs and concessions to the Applicants, as particularly detailed in paragraph no. 33(A to Q) and in the above paragraphs of the Application, from the date of issuance of the sale certificate by the Liquidator to the Applicant(s) (or their nominee) in relation to the sale of the Corporate Debtor as a going concern (As amended pursuant to Order of Hon'ble NCLT).

II. The gist of the Application is –

1. This Tribunal, vide Order dated 23.04.2019 admitted the Company Petition bearing CP (IB) No.678/7/HDB/2018 filed by M/s.Axis Bank Limited/Financial Creditor and Corporate Insolvency Resolution Process (CIRP) commenced against the Corporate Debtor, M/s.Lanco Kondapalli Power Limited by appointing Mr. Pankaj Dhanuka as Interim Resolution Professional, who was later confirmed as Resolution Professional.
2. When no viable Resolution Plan was received, the RP had filed an IA 750/2020 for initiation of Liquidation of the Corporate Debtor, which was allowed by the Adjudicating Authority, vide order



dated 16.04.2021, by appointing the existing RP as Liquidator of the Corporate Debtor.

3. Since the Liquidation Commencement Date, during the first five rounds of e-auction process conducted by the Liquidator, the following assets of the Corporate Debtor were sold:

E-auction	Date of e-auction	Description of asset	Successful bidder	Status of Sale
1 st Round	11.01.2022	No Assets were sold	-	-
2 nd Round	16.06.2022	Phase-III Assets	MCM Pacific Pte	LOI Issued
3 rd Round	29.07.2022	Phase-I Assets	Reliance Synergy Limited	Sales Certificate Issued
4 th Round	27.08.2022	Parcel 2: Phase II plant and Machinery	Indira Ispat Udyog	Sales Certificate Issued
		Parcel 7:- Guntupalli Land	National Energy Trading and Services Limited	Sales Certificate Issued
5 th Round	16-Dec-22	Parcel 5 - Land in Tamil Nadu	Anton Engineering	LOI Issued
		Parcel 9: New Reservoir & Buildings	Anton Engineering	LOI Issued



		Parcel 6: Nainavaram Land	National Energy Trading and Services Limited	Sales Certificate issued
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4. Pursuant to the discussions in the 17th meeting of the Stakeholders Consultation Committee (“**SCC**”), the Liquidator issued the public announcement on 12.01.2023 for the 6th round of e-auction of the Corporate Debtor as a going concern and a process document dated 13.01.2023 was also issued by the Liquidator in this regard. In terms of the Process Document, M/s.Radha Smelters Private Limited, for short ‘RSPL’ deposited Rs.5.00 Crores as Earnest Money Deposit (“**EMD**”) on 27.01.2023.

5. M/s.RSPL, vide email dated 13.02.2023, submitted a proposal / business plan to the Liquidator stating that it shall bid for sale of the Corporate Debtor as a going concern in the upcoming e-auction. Under the said proposal, apart from seeking various reliefs and concessions, it proposed that as the existing plant and machinery of the Corporate Debtor had been sold, it may set up any business unit on the land of the Corporate Debtor and a part of the land could be sold for setting up industry by others. RSPL further proposed to run the unit on its own or



to provide it on lease or job work. It was also submitted that depending upon viability, RSPL may change the product line or the entire industry and that the land could be sub-divided and sold at the option of the RSPL.

6. In response to the above proposal / business plan of the RSPL for participating in the e-auction of the Corporate Debtor, the Liquidator by his email dated 14.02.2023 informed the Applicant that the e-auction was being conducted on an ‘*as is where is*’, ‘*as is what is*’, ‘*as is how is*’, ‘*whatever there is*’ and on ‘*no recourse basis*’. It was clarified that the bid was required to be submitted without any pre-condition and strictly in accordance with the terms of the Process Document.
7. The Process Document defines “*Category A*” asset as follows:

“Category A” means sale in the e-auction as envisaged in this Process Document of the Corporate Debtor on a going concern basis in Parcel 1 and described under Schedule A along with exclusions of certain assets as described therein. It is further clarified that Phase I Assets, Phase II Assets, Phase III (plant & machinery), Guntupalli Land, Land in Tamil Nadu, Nainavaram land and New Reservoir & Buildings of the Corporate Debtor do not form part of the Corporate Debtor and shall be excluded from the purview of the sale of the Corporate Debtor as a going concern.”



8. The Process Document defines “Parcel 1” as follows:

*“**Parcel 1**” means the Corporate Debtor on a going concern basis along with all assets/ obligations/ contracts, as envisaged in this Process Document under Category A and described under Schedule A along with exclusions of certain assets described. It is clarified that the Phase I, Phase II Assets, Guntupalli Land, Land in Tamil Nadu, Nainavaram land and New Reservoir and Buildings of the Corporate Debtor do not form part of the Corporate Debtor pursuant to their sale in the earlier auctions held by the Liquidator and shall be excluded from the purview of the sale of the Corporate Debtor as a going concern. Further, Phase III (plant & machinery) of the Corporate Debtor is also excluded from the sale process and does not form part of Parcel 1.”*

9. The Process Document sets out certain additional conditions, which are as follows:

*“It is clarified that the Successful Bidder, declared under any Parcel whether under Category A or Category B, shall have no right, title, interest or claim on the respective excluded assets described in Schedule A for Parcel 1 of this Process Document (“**Excluded Assets**”). Nothing stated in this Process Document shall restrict/inhibit the Liquidator to deal with the Excluded Assets in any manner that he may deem fit in his sole discretion.”*

10. It is averred that vesting of any legal or beneficial interest, right or title over the Corporate Debtor and/or any of its assets shall be issued, vested, transferred pursuant to the Successful Bid(s), to the Successful Bidder on an “as is where is”, “as is what is”, “as is how is”, “whatever there is” and on “no recourse basis”. Provided however that such assets and rights which are excluded as per the Process



Document are not included in the sale of relevant parcel(s) from where the same have been excluded.

11. The sale of the Corporate Debtor as a going concern to RSPL has been conducted with exclusion of, *inter alia*, certain assets, which are as follows:

Category	Asset	Asset Description
Financial Assets	Financial Assets	Trade Receivables<90 days (as per the IM)
Financial Assets	Financial Assets	Cash and Cash Equivalent
Financial Assets	Financial Assets	Bank Balance including Fixed Deposit of INR 50 lakh with Canara Bank

12. In the 6th round of the e-auction process conducted on 15.02.2023, the Liquidator received a bid from RSPL for sale of Category A – Parcel 1: Company as a going concern, at the reserve price of Rs.1,05,94,93,074/-:

DESCRIPTION OF ASSETS			
Asset Parcel No.	Asset	Reserve Price (Rs.)	EMD (Rs.)
Category A			
Parcel 1	Parcel 1 – Going Concern Sale as mentioned in Schedule A	1,05,94,93,074/-	5,00,00,000/-



13. During the 18th SCC meeting held on 21.02.2023, M/s.Radha Smelters Private Limited was declared as the Successful Bidder for sale of the Corporate Debtor as a going concern and was informed the same to M/s.RSPL on 22.02.2023. Pursuant thereto, RSPL deposited the performance security with the Liquidator amounting to Rs.52,97,46,537/- on 28.02.2023 and the Liquidator issued an LOI to the successful bidder on 02.03.2023.
14. It is averred by the Liquidator that the SPV is required to make a payment of balance sale consideration within 30 days from issuance of the LOI, i.e. 02.03.2023. 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 issuance of the LOI, i.e. on 31.05.2023. Upon receipt of the entire sale consideration, the Certificate of Sale shall be issued and the same shall be distributed to the stakeholders of the Corporate Debtor in terms of Section 53 of the Code, except an amount of Rs.1,00,00,000/- (Rupees One Crore only) which shall be retained and earmarked by the Liquidator for meeting any future contingencies in relating to the liquidation process. Upon the expiry of a period of 12 months, the Liquidator shall distribute any balance amount remaining out of the said earmarked



amount of Rs.1.00 crore to the stakeholders provided on such date no litigations or claims against the Liquidator and/or the liquidation of the Corporate Debtor are pending at the end of the 12th month, then the monies earmarked, or so much thereof as is remaining shall be distributed only after all such litigations or claims against the Liquidator and/or the Liquidation of the Corporate Debtor have been finally settled or disposed of.

15. While the RSPL remains bound with the terms of the Process Document and the LOI, RSPL has approached the Liquidator to seek certain reliefs, concessions, directions and permissions from this Hon'ble Tribunal for smooth transition and effective acquisition of the Corporate Debtor as a going concern.
16. It is averred that subsequent to the sale of the Corporate Debtor as a going concern, 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. Therefore, it is necessary that certain reliefs and concessions be granted to RSPL.
17. Accordingly, the Liquidator had filed an IA No. 830/2023 in the captioned Company Petition CP (IB) 678/7/HDB/2018 seeking various reliefs in



relation to sale of the Corporate Debtor to RSPL, which is pending for adjudication.

18. The Liquidator requested that 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 Respondents be approved and subject to receipt of the balance sale consideration, the Liquidator be allowed to issue sale certificate to the SPV.
19. We have heard the Learned Counsel for the Successful Bidder and the Learned Liquidator. With regard to the reliefs sought for, the learned counsel for the Liquidator submits that the same may be considered on their merits. The Counsel for the Successful Bidder submits that the sale of business and assets of the Corporate Debtor as a going concern is consistent with the objectives of the Code. Therefore, certain reliefs, concessions, directions, approvals and exemptions have to be granted, to give effect to the sale and to acquire the Corporate Debtor as a going concern, on a clean slate basis.
20. Having heard the Learned Counsels for the parties and on a perusal of the record, we are of the considered view that the reliefs as tabulated below, in the form of waivers and concessions, can be granted for the smooth transition of the Corporate Debtor.



21. We, therefore, grant the waivers and concessions sought by the Successful Bidder in IA 839/2023 (**as amended vide IA 898/2023**), as follows:

Sl. No.	Particulars of the reliefs and concessions	Observation
A.	Direction that, all claims, demands, liabilities, obligations, security interests / charges, taxes, levies, duties or assessments by any person / third party whatsoever in relation to the Corporate Debtor (including any governmental/statutory authority or related party), whether arising out of contract or applicable law or otherwise, whether or not such have been identified, admitted (during the process of insolvency and liquidation or otherwise), due or contingent, asserted or unasserted, crystallised or uncrystallised, assessed or not, secured or unsecured, disputed or undisputed, for any period prior to the issue of Sale Certificate shall stand settled and extinguished.	Granted, since it is sale as a going concern, the Applicant is not to be saddled with the liabilities existing prior to the Effective Date. The Applicant shall not be responsible for any other claims, liabilities or obligations, under any guarantees, etc. payable by the Corporate Debtor as on this date to the creditors or any stakeholders including the Government dues. All the liabilities of the Corporate Debtor as on date stands extinguished, qua the Successful Bidder.
B.	Direction that, without any additional approval/ consent from any person (under any agreement or otherwise, including the constitution documents of the Corporate Debtor, or any applicable law): (a) existing share capital of the Corporate Debtor shall stand cancelled in terms of Section 66 and other	Granted



	<p>provisions of the Companies Act, 2013, and other applicable laws;</p> <p>(b) the Authorized Capital of the Corporate Debtor shall stand at the existing amount of Rs.15,00,00,00,000/- (Rupees One thousand and five hundred Crores) which is to be divided into 1,50,00,00,000/- (One hundred and fifty Crores) Equity shares of Rs.10/- each;</p> <p>(c) new equity shares shall stand issued to SPV of the Successful Bidder under Section 42 and Section 62(1)(c) of the Companies Act, 2013, and other applicable laws and to issue the equity shares of the corporate debtor to be subscribed by the SPV of the Successful Bidder to the extent of Rs.10,00,00,000/- (Rupees Ten crores only) out of the total sale consideration received from the Applicants. For the purpose of issuance and allotment of the equity shares of the corporate debtor to the SPV, the liquidation account maintained by the Liquidator shall be considered as the</p>	<p>Granted</p> <p>Granted</p>
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	<p>designated account in compliance with Section 42 of the Companies Act, 2013. However, this would be without prejudice to the rights of the Liquidator vis-à-vis the sale consideration paid by the successful bidder in the liquidation account of the Corporate Debtor for the purpose of distribution to the stakeholders and/or utilization at any point of time in accordance with provisions of the Code and Liquidation Regulations whether before or prior to issuance of the sale certificate.</p> <p>(d) Upon receipt of the order approving the going concern sale, payment of the entire sale consideration and issuance of the sale certificate, the existing board of directors of the Corporate Debtor shall be deemed to be terminated and the successful bidder shall appoint the following persons i.e. (1) Mr. Sunil Kumar Saraf, and (2) Mr. Yerram Vijay Kumar, as the new board of directors of the Corporate Debtor and the same will be authorized to take all the corporate actions</p>	<p>Permission is accorded for reconstitution of the Board of Directors of the Corporate Debtor by the Successful Bidder of the Corporate Debtor as under and we further direct the ROC (Hyderabad) to do all such acts deeds and things that are necessary to appoint the individuals recommended by the Successful Bidder/Nominee, in order to enable the Company to file relevant returns required by the applicable law.</p> <table border="1" data-bbox="1002 1729 1348 1904"> <thead> <tr> <th>S.No.</th> <th>Name of the proposed director</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr.Sunil Kumar Saraf</td> </tr> <tr> <td>2.</td> <td>Mr. Yerram Vijay Kumar</td> </tr> </tbody> </table>	S.No.	Name of the proposed director	1	Mr.Sunil Kumar Saraf	2.	Mr. Yerram Vijay Kumar
S.No.	Name of the proposed director							
1	Mr.Sunil Kumar Saraf							
2.	Mr. Yerram Vijay Kumar							



	<p>including issuance and allotment of the equity shares to the successful bidder/ nominee of the successful bidder.</p> <p>(e) Registrar of Companies, Hyderabad or Ministry of Corporate Affairs, or E-Governance Cell or any other authority / department administering the Master data shall register the above and take the same on record, in accordance with the Provisions of IBC 2016, notwithstanding anything contained in the provisions of the Companies Act, 2013.</p> <p>(f) Requirement of payment of stamp duty on the order of Hon'ble Adjudicating Authority for approval of the sale of the Corporate Debtor as a going concern shall be waived, including for payment of stamp duty on increase in authorised share capital and allotment of new shares to Applicant(s).</p>	<p>Granted</p> <p>With regard to the relief sought to direct various statutory authorities to exempt income/gain/profits if any, arising pursuant to acquisition of Corporate Debtor and further with regard to exemption from stamp duty and tax liability, it is open to the Successful Bidder to approach the authorities concerned and it is for the authorities to consider the request of the Bidder for exemption since the successful bidder purchased the Corporate Debtor as ongoing concern during liquidation.</p>
C.	Direction that, the successful bidder/Corporate Debtor shall be at liberty to rationalize the	Granted



	employee strength of the Corporate Debtor in order to keep it as a going concern.	
D.	Direction that, the date of issue of sale certificate shall be treated as effective date of the sale of the Corporate Debtor as a going concern.	Granted
E.	A direction be issued to IBBI and other concerned authorities, to change the status of the Company from “Under Liquidation” to “Active”, in pursuance of the General Circular 08/2020, dated 6 th March 2020, issued by the Ministry of Corporate Affairs.	Granted. However, the Company shall file all necessary forms and applications, alongwith applicable fee, with the ROC(H), if required. The concerned Registrar of Companies (ROC) shall take steps in this regard, immediately after the copy of this Order is filed in the forms, as prescribed.
F.	A direction to enable the liquidator to continue the liquidation with the liquidation bank account “Lanco Kondapalli Power Limited in Liquidation” for settlement of claims and demands, in terms of Section 53 of IBC 2016 and making provision for future claims and maintain it till the closure of liquidation process in terms of Regulation 45(3)(a) of the IBBI (Liquidation Process) Regulations, 2016.	Granted



G.	A direction be issued, to the secured lenders of the Corporate Debtor to issue No Objection Certificate for satisfaction of charge with the Registrar of Companies, Ministry of Corporate Affairs.	No such direction can be granted.
H.	<p>A direction be issued to the effect that:</p> <p>(a) other than Excluded Assets (more clearly described in Para 29 of the application with Process Document dated 13.01.2023 issued by the Liquidator), the Successful Bidder shall enjoy the vacant, peaceful possession and ownership of all the assets of the Corporate Debtor, without any charge/lien/encumbrance and free from any claims from any third party, from the date of issue of Sale Certificate.</p> <p>(b) Any cost, legal or other, as the case may be in regards to liquidation of Excluded Assets shall be borne by the Liquidator / beneficiaries and be payable out of Liquidation Account.</p> <p>(c) Any proceeds (if any) out of the Application(s) filed under Sections 43, 45, 49, 66 under IBC 2016</p>	<p>Granted</p> <p>Granted</p> <p>Granted</p>



	<p>(preferential transaction, avoidance of undervalued transaction, transactions defrauding creditors, fraudulent transactions) relating to Excluded Assets shall not form of the E-Auction sale and proceeds (if any) shall be deposited in the Liquidation Account. Any cost (legal or other) as the case may be in regards to such application shall be borne by the Liquidator/ beneficiaries and be payable out of Liquidation Account.</p> <p>(d) Successful Bidder will be entitled to get all the assets and property of the Corporate Debtor transferred in its own name or it's nominee's name, in all Government records and all other records, wherever necessary and will enjoy the same with absolute rights in perpetuity, including right to Possession/sale/transfer etc.</p>	Granted
I.	A direction be issued in favour of successful bidder, permitting it to take benefit of all exemptions Under all Acts, Rules & Regulations and Schemes under applicable laws, including SEBI, Income tax Act,	Not granted



	1961 & Central Board of Indirect Taxes and Customs (including Central Board of Excise and Customs).	
J.	Directions for Power/Electricity Connection to be provided by concerned governmental authorities without any reconnection charges and issue directions to the Andhra Pradesh State Electricity Board, directing it not to charge any fee, cost, interest, penalty, fine, or any other amount in the same nature pertaining to the period prior to the date of issue of Sale Certificate.	Not granted
K.	A direction be issued, that: (a) brought forward tax losses of the Corporate Debtor be permitted to be carried forward and set-off against future income as change of shareholding of the Corporate Debtor is pursuant to the bid submitted by the successful bidder under the E-Auction process. The bid submitted by the successful bidder should be considered to be a resolution plan under Section 79 (and other applicable provisions) of the Income Tax Act, 1961 and all benefits, exemptions and favourable tax treatment pursuant thereto should be	The Corporate Debtor is entitled to get the benefits of brought forward losses, if any, subject to permission of the appropriate authority, if so entitled under the relevant provisions of the Income Tax Act, 1961. As far as the prayer for considering the bid submitted by the successful bidder as Resolution Plan under Section 79 of Income Tax Act, 1961 is concerned, the bidder may approach the authority concerned who would consider such request under the Income Tax Act.



	<p>permitted, at the option of the Successful Bidder.</p> <p>(b) for MAT (Minimum Alternate Tax) purpose, the aggregate of brought forward business losses and depreciation losses of the Corporate Debtor be permitted to be carried forward and set-off against future book profit.</p> <p>(c) To write back all the liabilities of the Corporate Debtor, including creditors, term loans, working capital loans, tax liabilities, other statutory liabilities etc., which are not payable and reflect the total liabilities at the amount of the consideration (as reduced by the amount of insolvency resolution process costs and the liquidation costs) determined in the auction and in case of any liabilities arising thereon, the same shall stand extinguished and settled in full.</p> <p>(d) the assets which are not recoverable (debtors, inventories and loans and advances etc.) should be written down to their realizable value, in the financial statements (Profit and Loss Account and the Balance Sheet) of the Corporate Debtor as on 31st</p>	<p>Granted</p> <p>Granted</p> <p>Granted</p>
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	<p>March, 2023 or as may be approved by NCLT.</p> <p>(e) All such financial statements prepared to be allowed to be filed with the relevant regulators such as Registrar of Companies, Income Tax Authorities etc., without any levies and penalties.</p> <p>(f) all the compliances for the period up to the date of sale certificate including filing of necessary documents and returns with the Registrar of Companies, Income Tax Authorities, GST and any other Government Authorities may please be allowed to be made good without imposition of any penalties, levies, charges, etc. for non-compliance or delay.</p> <p>(g) Newly constituted board of directors appointed by the successful bidder is allowed to file satisfaction of charge for all the charges with the Registrar of Companies with NOC/No Dues Certificate from the financial creditors, stakeholders, banks and creditors (as the case may be).</p> <p>(h) The liquidator to provide reasonable support/assistance to Corporate Debtor/Applicants (as the</p>	<p>Granted</p> <p>Granted</p> <p>Granted</p> <p>Granted</p>
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	<p>case may be) for obtaining the NOC/No Dues Certificate from the financial creditors / secured creditors.</p> <p>(i) Upon issue of sale certificate, the secured creditors / financial creditors shall be deemed to have issued NOC / No Dues Certificate in favour of the Corporate Debtor.</p>	Granted
L.	<p>A direction be issued to the Liquidator, to cooperate with, and provide all necessary support and assistance to the Applicant, including but not limited to providing all books of accounts, financial statements, asset/property title deeds (including of Parcel 1 Lands mentioned in Schedule A of Process Document) and documents including corporate, statutory, financial and business records of the Corporate Debtor, to the extent available with the Liquidator upon issuance of Sale Certificate.</p>	<p>The Liquidator is directed to provide all support and assistance to the successful bidder for the smooth functioning of the Corporate Debtor to complete the acquisition.</p>
M.	<p>A direction that:</p> <p>(a) the sale of Corporate Debtor as going concern can be implemented through a special purpose vehicle (SPV) under the name “Radha Vasavi Assets LLP” (formerly</p>	Granted



	<p>known as “Snehil Spaces LLP”). The SPV shall initially subscribe to / acquire 100% capital of Lanco Kondapalli Power Limited. Funds will be infused by the bidder/SPV, their associate companies/firms, their partners and/or related parties from their own funds and borrowings. The bidder shall hold minimum 50% holding in SPV and balance up to 50% can be diluted to other investors.</p> <p>(b) following the issuance of the sale certificate, the newly constituted board of directors appointed by the successful bidder at its discretion, shall be able to account for the monies paid as sale consideration into the liquidation account of the Corporate Debtor maintained by the Liquidator in such manner in the books of accounts of the Corporate Debtor, including to account for the same towards subscription/issuance of such securities as deemed fit by the newly</p>	<p>Granted</p>
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	<p>constituted board of the Corporate Debtor. This shall not be prejudice to the rights of the Liquidator vis-à-vis the sale consideration paid by the successful bidder in the liquidation account of the Corporate Debtor for the purpose of distribution to the stakeholders and/or utilization at any point of time in accordance with provisions of the Code and Liquidation Regulations whether before or prior to issuance of the sale certificate.</p>	
N.	<p>A direction that;</p> <p>(a) The Applicant shall be deemed to have complied with the provisions of Section 14 of the Companies Act, 2013 read with rule 41 of Companies (Incorporation Rules, 2014, as amended, including alteration of Name clause of Memorandum of Association and with proposed alterations to the Articles of Association inclusive of alterations pursuant to sub-section (68) of Section 2 of the Companies Act, 2013.</p> <p>(b) To register / amend the name as Lanco Kondapalli Power Limited to Lanco</p>	<p>Granted</p> <p>Granted</p>



	<p>Kondapalli Power Private Limited.</p> <p>(c)To consider the order as deemed compliance of all provisions of Section 14 and Rule 41 of the Incorporation Rules and the Regional Director, South East Region, Ministry of Corporate Affairs, Registrar of Companies, Hyderabad and other authorities of Ministry of Corporate Affairs to Register the Corporate Debtor (i.e., Company) as Private Limited Company without any further compliance of the provisions of Section 14 and Rule 41 of the Companies Act, 2013 and the rules made thereunder (i.e., conversion of from Limited Company to Private Limited); and</p> <p>(d) From the date of the sale certificate, all such delays which may attract penalty/levy on account of non-compliance of the Corporate Debtor, prior to the initiation of the CIRP, be waived off in full and in addition the Applicants shall be given an additional time of 24 months for making good all prior non-compliance, without any penalty/Levy to be imposed.</p>	<p>No such direction can be granted because compliance is required as per the provisions of Section 14 and Rule 41 of the Companies Act, 2013 and the rules made thereunder for conversion.</p> <p>Granted</p>
O.	<p>Direction be issued that the new issuance shares be issued in dematerialized form or in</p>	



	physical form and the Depositories / Depositories Participants are hereby directed to record the same in dematerialized form.	Granted
P.	A direction be issued that any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions prior to the date of Sale Certificate shall be deemed to be extinguished.	The non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions prior to the date of acquisition shall stand extinguished qua the Applicant.
Q.	A direction that it shall be deemed that there is no disability of Corporate Debtor or Successful Bidder in terms of Sec 29A of IBC 2016 for default of subsidiaries/associates of the Corporate Debtor.	Granted

22. The Liquidator also sought certain reliefs/concessions vide IA 830/2023, which are as follows:

S.No	Particulars of the Reliefs and Concessions	Observation
1.	Direction that, the Corporate Debtor shall be passed on / transferred to the Respondent No.2 as debt free / liability free, free of all charges / encumbrances on the movable and immovable assets of the Corporate Debtor, including but not limited to all such	Granted



	<p>claims, either identified and settled, or un-identified and not settled, including all statutory demands / claims, including claims from the regulatory authorities/statutory authorities which shall include Ministry of Environment and Forest, concerned Pollution Control Board, DISCOMS, Power Transmission Companies, Customs Department, Power Grid Corporation of India Limited, Power Reduction, Insurance, Employee Dues, Employee State Insurance Corporation, Provident Fund, Gratuity and such claims, whether mentioned or not, but in relation to the Corporate Debtor. The word "claim" shall have the meaning ascribed to it in the Code.</p>	
2.	<p>Direction that, from the date of issuance of sale certificate, 1) all the claims (as defined in the Code) of the financial creditors / operational creditors/ other creditors of the Corporate Debtor whose claims have been filed or not, whether admitted, rejected, or kept under verification, contingent or</p>	Granted



	<p>otherwise, crystallised or uncrystallised, disputed or undisputed, secured or unsecured, known or unknown would be deemed to have been settled in full and no claims and liabilities of any nature whatsoever shall arise against the Corporate Debtor; ii) Financial creditors would not have the benefit of any provisions of the existing financing documents/loan agreements entered into by the Corporate Debtor with the Financial creditors in relation to financial debt (including without limitation provisions relating to events of default, covenants, warranties etc.); ii) Financing documents in relation to the debt of the Corporate Debtor are deemed to have been terminated and the security provided by the Corporate Debtor (excluding any security provided by any third including any personal guarantee provided by any person in the promoter group and/or corporate guarantees executed by promoter group and/or third parties for securing the debt of the Corporate Debtor) created for</p>	
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	<p>securing the debt of the Corporate Debtor shall stands released. Secured creditors shall be directed to return all the title deeds and documents in accordance with the applicable law. Financial creditors of the Corporate Debtor along with security trustee/security agent, as the case may be, would issue/ shall be deemed to have issued 'certificate of no dues' to the Corporate Debtor and undertake such steps as may be requested by the Corporate Debtor and/or successful bidder.</p>	
3.	<p>Direction that, from the date of sale certificate, the Corporate Debtor shall be immune from being declared as willful defaulter under any central/state act, as the case may be, for any claim prior to initiation of liquidation proceedings of the Corporate Debtor. Further, the status of the Corporate Debtor under CIBIL, CRILC and all other rating agencies shall be cured of all defaults, cases and write offs.</p>	Granted



4.	A direction that from the date of issuance of sale certificate the Corporate Debtors shall not be liable from any claim / prosecution arising from any act/violation/non-compliance of the applicable laws committed prior to the commencement of liquidation proceeding including Prevention of Money Laundering Act, 2002, Foreign Exchange and Management Act, 1999, Factories Act 1948, Income Tax Act, 1961, Central Goods and Service Act, 2017 etc.	Granted
5.	Direction that, from the date of the issuance of the sale certificate the Respondent No.2 shall be entitled to the benefit of Section 32A of the Code.	Granted
6.	Direction that, from the date of sale certificate, any and all legal proceedings (including any show cause notices, adjudication proceedings, assessment proceedings, regulatory orders etc.), arbitration or other legal, judicial, regulatory or administrative proceedings, against the Corporate Debtor, initiated before any court,	Granted



	<p>tribunal, authority or office, by or on behalf of any stakeholder, creditor or governmental authority, (including but not limited to GST, VAT, Income Tax, ESI, PF, Power department, CBI, ED, Economic offence wing, SFIO) (other than against the erstwhile promoters of Corporate Debtor) to enforce any claim (as defined in the Code) against the Corporate Debtor shall be withdrawn, abate, settled and/or extinguished with effect from the date of sale certificate and the Respondent No.2 shall no longer be required to make payment in relation to such litigations/proceedings.</p>	
7.	<p>Direction that, from the date of sale certificate, the existing directors shall be deemed to have resigned / terminated from the board and the Respondent No.2 shall have exclusive rights for nominating new personnel to the Board of Directors of the Corporate Debtor.</p>	Granted
8.	<p>Direction that, upon formation of the new board of directors of the Corporate Debtor, they</p>	Granted



	shall not be liable for any past liabilities or actions of or in relation to the Corporate Debtor.	
9.	<p>Direction in relation to restructuring of the share capital of the Corporate Debtor All existing shares of the Corporate Debtor be extinguished including the share application money received, if any, without any consideration, and rights and liabilities arising out of the same shall also be extinguished.; any consideration payable to the shareholders of the Corporate Debtor including any due towards any unpaid dividend, share application money etc., shall stand extinguished. The Corporate Debtor shall make necessary entries of such extinguishment in the Register of Members of the Corporate Debtor as maintained under the provisions of the Companies Act.</p>	Granted
10.	The Corporate Debtor to issue fresh equity shares in favour of the successful bidder/ any nominee of the successful bidder, in the form and manner	Granted



	as may be determined by the successful bidder in accordance with the applicable law.	
11.	Direction that all claims of the Corporate Debtor against third parties including government, non-government and its related parties shall remain outstanding, due and recoverable in accordance with their respective terms. Corporate Debtor shall have full right to recover/proceed against the party, whose account is recoverable in the books of the Corporate Debtor as on the date of issuance of certificate of sale.	Granted
12.	Direction that the requirement of adding “and reduced” in the name of the Corporate Debtor be dispensed with in the event of capital reduction.	Not required. Hence, not granted.

23. The Successful Bidder has filed Memo seeking for a direction to fix four months from 30.07.2023 for removal of Phase-I to Phase-III assets from the premises of the Corporate Debtor without other conditionalities. Since the same is not related to the reliefs claimed with regard to the sale which is in



favour of the Applicant, we are not inclined to make any such order.

24. Accordingly, **IA Nos. 830 and 839/2023 in CP (IB) No.678/7/HDB/2018 are partly allowed and disposed of.**

Sd/-
CHARAN SINGH
MEMBER (TECHNICAL)

Sd/-
JUSTICE TELAPROLU RAJANI
MEMBER (JUDICIAL)

Syamala