

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

IA No.366/2023 IN CP (IB) No.189/ALD/2019

In the matter of

Application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 32A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016

IN THE MATTER OF:

Mr. Ganga Ram Agarwal

Liquidator of

LEEL Electricals Limited

E-10A, Kailash Colony,

New Delhi-110048

-----Liquidator

VERSUS

Krishna Ventures Limited

Corporate Centre, 7th Floor,

Opp. Hotel Vits Andheri Kurla Road,

Andheri East,

Mumbai-400059

.....Respondent/Auction Purchaser

IN THE MATTER OF:

MKM Technologies Private Limited

.....Operational Creditor

VERSUS

LEEL Electricals Limited

.....Corporate Debtor

Order pronounced on 21st March, 2024

Coram:

Mr. Praveen Gupta. : Member (Judicial)

Mr. Ashish Verma : Member (Technical)

Appearances:

Sh. Amar Vivek with Sh. Anoop : *For the Applicant/Liquidator in*
Kr. Sharma, Ms. Damini *IA No.366/2023*
Sreshta & Sh. Abhinav Tyagi
Advs.

Sh. Anurag Khanna, Sr. Adv. :*For the Respondent/Successful*
Assisted by Sh. Raghav Dev *Auction Purchaser in IA*
Garg, Adv. *No.366/2023*

ORDER

1. The instant Application I.A.(IB) No. 366/2023 in C.P. (IB) No. 189/ALD/2019 has been filed under Section 60(5) of the I&B Code, 2016 r/w Regulation 32A of IBBI (Liquidation Process Regulations), 2016 by the Applicant, Mr. Ganga Ram Agarwal, Liquidator of LEEL Electricals Limited for seeking appropriate directions for implementing sale of the Corporate Debtor i.e. M/s Leel Electricals Ltd. as a going concern to a Successful Auction Purchaser i.e. M/s Krishna Ventures Ltd. In the Application, following prayers are made seeking reliefs, concessions, waivers and ancillary protections required for implementing the sale of the Corporate Debtor to the Successful Auction Purchaser:-

A. Allow the Present Application.

B. Pass an order providing the followings:-

i. A direction be issued that upon payment of the entire Liquidation Sale Amount of Rs. 5,27,00,000/- (Rupees Five Crore and Twenty-Seven Lakhs only) by the Respondent, as on the date of issuance of Sale Certificate by the Liquidator, all rights, title and interest in whole and every part of the Corporate Debtor including but not limited to intellectual property rights, free from security interest, encumbrance, claim, counter claim or any demur belonging to Corporate Debtor subject to the assets excluded in accordance with E-Auction Process Information Document, shall continue to vest in the Corporate Debtor.

ii. Direct on and from the Effective date, all the existing shares of the Corporate Debtor shall be extinguished without any consideration, and rights and liabilities arising out of the same shall also be extinguished and the Registrar of Companies be directed to approve cancellation/ allotment of shares without any approval of shareholders.

iii. A direction be issued that upon the Effective Date all rights and entitlements of, claims or demands made by or liabilities or obligations owed or payable to, the Financial Creditors, Operational Creditors, Employees, Workmen including claims related to their social security contributions, Suppliers, Governmental Agencies, tax authorities including GST, income-tax liabilities, VAT liabilities, excise liabilities, service tax liabilities, withholding tax liabilities etc., including any interest, fines, penalties, fees, cess, surcharge or similar assessments payable, etc., whether filed/admitted/verified or not, due or contingent, asserted or un-asserted, crystallized or un-crystallized, known or unknown, contract, judicial / quasi-judicial proceedings, disputed or undisputed, present or future, including any liability arising out of non-compliance of provision of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions as applicable on the Corporate Debtor, or reports as applicable on the Corporate Debtor, for the period up to the Effective Date,

shall stand permanently and fully satisfied for the Corporate Debtor acquired by the Successful Bidder, and shall be handled/ extinguished by the Liquidator in accordance with section 53 of IBC. Further, the Successful Bidder and/or the Corporate Debtor shall at no point of time, directly or indirectly, have any other obligation, liability duty (whether financial, contractual, performance or otherwise) in relation thereto.

iv. A direction be issued that all the subsisting licenses, approvals, rights, entitlements, benefits privileges whether under law, contracts, leases, granted in favour of Corporate Debtor or to which the Corporate Debtor is entitled to, shall, notwithstanding any provision to the contrary in their terms irrespective of the commencement of insolvency / liquidation process shall under the Code, in relation to the Corporate Debtor be deemed to continue without disruption, for benefit of the Corporate Debtor and additional licenses, registrations and consent required by the Corporate Debtor, if any, be made available immediately. A direction be issued that any non-compliance or any liability (current or prospective) towards any non-compliance of provisions of any law, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consent or permissions (including with respect to taxes) for the period up to the Effective Date shall stand satisfied and no claim, liability, pecuniary or otherwise shall be prescribed in relation to any such non-compliances and they shall deemed to be extinguished.

v. A direction be issued that all inquiries, investigation and proceedings (including in relation to or on account of Tax), whether civil or criminal, suits, claims, disputes, interests and damages 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 Effective Date shall stand discharged and terminated.

vi. A direction be issued that on the Effective Date, all inquiries, investigation and proceedings (including in

relation to or on account of Tax), whether civil or criminal, suits, claims, disputes, interests and damages in connection with the Corporate Debtor or the affairs of the Corporate Debtor, whether civil or criminal, suits, claims, disputes, interests and damages in connection with the Corporate Debtor or the affairs of the Corporate Debtor pending or threatened, present or future in relation to any period prior to the Effective Date or arising on account of sale of Corporate Debtor under liquidation as going concern, shall stand discharged and terminated.

vii. A direction be issued that the promoter and non-promoter shareholding in the Corporate Debtor shall be extinguished without any consideration, and rights and liabilities arising out of the same shall also be extinguished.

viii. A direction be issued that on and from the Effective Date, the status of the Corporate Debtor in the records of the ROC be reflected as 'active' from the status of 'liquidation'.

ix. A direction be issued that the Liquidator be empowered and permitted to issue equity shares and any other instruments of the Corporate Debtor and the same shall be subscribed by the Successful Bidder or its subsidiary or its affiliate, in lieu of the "Liquidation Sale Amount" received by the Liquidator in the Liquidation account of the Corporate Debtor.

x. A direction be issued that on and from the Effective Date, the board of directors of the Corporate Debtor be reconstituted by removing the board of directors as existing on the Liquidation Date and appointing the new board nominated by the Successful Bidder, subject to affidavit and undertaking that the new board of directors are not disqualified under Section 29A of the Code.

xi. A direction be issued that the sale of Corporate Debtor as going concern should be treated as implementation of resolution plan under the CIRP and all attendant benefits, privileges and exemptions under various laws, including under the taxation law, shall be

applicable to the Corporate Debtor upon sale to the Successful Bidder, including but not limited to benefit of any tax holiday, exemption, deduction, carry forward of losses of any prior years and set-off against the income of any financial year as available to the Corporate Debtor more so in view of compliance of the provisions of Section 79(2)(c) of the Income Tax Act, 1961, which apply mutatis mutandis to sale of the corporate debtor under going concern as per provisions of the IBC.

xii. A direction be issued that the Corporate Debtor and the Successful Bidder shall be granted an exemption from all Taxes, levies, surcharges, cess, fees, transfer charges, stamp duty, registration charges, transfer premiums, and surcharges that arise from or relate to implementation of Sale of Corporate Debtor as a going concern under Liquidation.

xiii. A direction be issued that Liquidator and Respondent shall be at liberty to take all the steps required to make accounting entries for the smooth transition and clearing the balance sheet.

xiv. That necessary exemption be provided to the Corporate Debtor from adding the words "and reduced" in its name, as required under the provisions of Companies Act, 2013.

xv. All claims of the Corporate Debtor against third parties and its related parties except those assets which are specifically excluded by the Liquidator in the Sale Notice and e-Auction Process Document, shall remain outstanding, due and recoverable in accordance with their respective terms. Further, the Corporate Debtor shall be the sole beneficiary of any amount recovered by the Corporate Debtor post acquisition, previously written off by the Corporate Debtor and the Corporate Debtor/ Successful Bidder shall have full right to recover/ proceed against the party, whose account is recoverable in the books of Corporate Debtor as on the Effective Date and it shall be the sole beneficiary of the amount so recovered, except those assets which are specifically excluded by the liquidator in the sale notice and E-Auction Process Document.

xvi. A direction be issued to the Ministry of Corporate Affairs (MCA) and Registrar of Companies, Kanpur (ROC) that the charges registered with them in respect of encumbrances over the assets of the Corporate Debtor shall be satisfied upon the completion of the sale of the Corporate Debtor as a going concern, and that the order passed by this Hon'ble Tribunal shall be sufficient proof for the Successful Bidder to satisfy the charge on secured assets with records of MCA, ROC and other statutory and regulatory authorities upon completion of sale;

xvii. Direct that on and from the date of NCLT order for approval of going concern sale of the Corporate Debtor, all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor 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 Corporate Debtor be deemed to continue without disruption, for the benefit of the Corporate Debtor and all additional licenses, registrations and consents required by the Corporate Debtor be made available immediately from the Effective Date;

xviii. Direct that on and from the date of NCLT order for approval of going concern sale of the Corporate Debtor, the Successful Auction Purchaser shall have a right to review and terminate any contract that was entered into prior to the NCLT order.

xix. Direct that on and from the date of NCLT order for approval of going concern sale of the Corporate Debtor, direct the officials of the Corporate Debtor, past bankers, consultants, advisors, experts, auditors under various laws to cooperate under various laws and standards, advocates, as engaged by Corporate Debtor and its subsidiary(ies), to unconditionally cooperate and support in providing such information and explanations which he/they is/are reasonably expected to possess with respect to such Corporate Debtor and its

subsidiary(ies). Such right shall be available notwithstanding anything contained in any law for the time being in force providing for protection of privileged communication made by and with them.

xx. A direction be issued that the sale of Corporate Debtor as Going Concern is allowed with all attendant benefits, privileges and exemptions under various laws, including under the taxation law, shall be applicable to the Corporate Debtor upon sale to the Successful Auction Purchaser, including but not limited to benefit of any tax holiday, exemption, deduction, carry forward of losses of any prior years and set-off against the income of any financial year as available to the Corporate Debtor, even in an eventuality where the Corporate Debtor does not remain listed in future, more so in view of compliance of the provisions of Section 79(2)(c) of the Income Tax Act, 1961, which apply mutatis mutandis to sale of the Corporate Debtor under going concern under liquidation.

xxi. Direct the relevant Tax Authorities, to allow setting off of Losses and unabsorbed Depreciation for the purpose of Computation of Book Profit as permitted Under Sec 115JB of the Income Tax Act, 1961.

xxii. Direct the relevant Tax Authorities, providing an exemption from any Tax Liabilities in terms of sec 115JB of Income Tax Act 1961.

xxiii. Direct the relevant tax authorities that any write Back/written down of liabilities of the Corporate Debtor shall not be treated as taxable income of the Corporate Debtor/Respondent under the Income Tax Act, 1961 and any such write-offs shall be allowed as a tax deduction in the year of such write off. Entire proposal of sale as Going Concern is for Revival of Corporate Debtor and Maximization of Value towards Creditors; in this process any Taxable gains (including capital gain) booked by the CD shall not be Taxable being in form of Transaction Tax in order to complete Auctions followed by Sale of Corporate Debtor as Going Concern.

xxiv. On and from the Effective date, permit the Corporate Debtor and the creditors including bank and

other financial creditors to take necessary action to get the name of the Corporate Debtor removed from defaulter lists with Credit Information Companies (e.g., CIBIL), RBI, Information Utilities under the IBC Code, willful defaulter list if any etc. and to treat the 59 account of the Corporate Debtor as standard.

xxv. Pass a direction that on and from the Effective date, all regulatory approvals, licenses and contracts are sustained in the manner required by the Successful Auction Purchaser for maintaining the Corporate Debtor as a going concern.

xxvi. Pass a direction Corporate Debtor to be protected in terms of section 32A of the IB Code, 2016 since Successful Auction Purchaser has purchased the Corporate Debtor as going concern.

xxvii. The Corporate debtor shall be at liberty to rationalize the employee strength of the Corporate Debtor in order to keep it as a going concern;

xxviii. To take on record that any cost, benefit or liability arises in past or future on account of I.A. No. 275/2021, 278/2021 and 280/2020 shall not affect the Corporate Debtor or the buyer in any manner.

xxix. The Corporate Debtor shall be allowed to participate in all auction sale/tenders/offers/proposals of departments/authorities/public sector undertakings from the Effective Date without having to submit the details on the past revenue, past performance, profitability records, net worth, etc.;

xxx. Neither should the Successful Auction Purchaser, nor the Corporate Debtor, or their respective Directors, officers and employees appointed on and as on the Effective Date □ be held liable for any violations, liabilities, penalties or fines with respect to or pursuant to the Corporate Debtor not having in place requisite licenses and approvals including but not limited to the licenses issued by the Ministry of Environment, Forest and Climate Change, the Central Pollution Control Board and the State Pollution Control Board, required to undertake its business as per applicable law, or any

non-compliances of applicable law by the Corporate Debtor;

xxxi. A direction may be issued to GST department to extend cooperation in the renewal/revival of all the GST numbers that were in the name of LEEL Electricals Limited registered in different states so that the operation of the corporate debtor can be started again and the available input if any can be utilized for the operations of the Corporate Debtor.

xxxii. A Direction upon the registry to amend the memo of parties in I.A. No. 278/2020 of CP IB 75/2019 in the name of new directors or corporate debtor and the liquidator should extend cooperation to handover all the related documents and information in the best interest of proper execution of litigation.

xxxiii. A Direction may be issued upon the ROC and MCA for waiver of any type of late fines/penalty for filing or compliances of arrears years i.e. before effective date, by the liquidator and extend best possible cooperation for completion of ROC filings of the audited accounts and Income Tax filings till F.Y ending on 31.03.2023.

xxxiv. A direction may be issued to the Ex-management and owners of the Registered Office of the corporate debtor that is situated at 159, Okhla Industrial Estate New Delhi wherein all the documents of the corporate debtor are lying. A direction may be issued to direct the owners of the said property to waive off the previous arrears of rent/lease rent in view of the provision of IBC 2016.

xxxv. All concerned authorities and parties be advised about the sale of the Corporate Debtor on going concern basis without antecedent liabilities of any kind as may be relevant for the operation of the Corporate Debtor, post its release from the liquidation.

xxxvi. A direction be issued that the Corporate Debtor and/or the Successful Auction Purchaser shall be granted an exemption from all Taxes, levies, surcharges, cess, fees, transfer charges, stamp duty, registration

charges, transfer premiums, and surcharges that arise from or relate to implementation of Sale of Corporate Debtor as a going concern under Liquidation.

xxxvii. A direction be issued that the assets not included in this Going Concern sale process as defined in the E-Auction Information Memorandum document which are as follows :-

a) proceeds if any, received from the outcome of the Application filed under Sections 43, 45, 49, 66 under IBC 2016 (preferential transaction, avoidance of undervalued transaction, transactions defrauding creditors, fraudulent transactions).

b) Any existing personal guarantees issued by the promoters/ any other group companies of the Corporate Debtor shall not form part of Sale of the Company as a going concern under the liquidation process under the E-Auction.

c) Any assets (owned by third parties) mortgaged to the lenders of the Company but not owned by the Company shall not form part of the liquidation sale under the E-Auction.

d) The assets which are not covered under 9.1 of the E-Auction Process Document of the aforesaid mentioned clauses. The same shall be excluded from the Block –C (Sale of Corporate Debtor as a going concern).

e) In addition to the above-mentioned items, the following assets were proposed to be excluded from the Sale of corporate Debtor as a Going concern- Sr. No. Items not included in the proposed auction

a. Goods held at Customs Noida and DMRC Sarita Vihar Deport/ Proceeds of sale of assets lying with Custom Department and DMRC Sarita Vihar Deport.

b. Debit Balances/ Trade Receivables from the Sundry Debtors worth Rs. 565.06 Crores as reflected in the books of accounts and attached herein in the application.

c. Receivables from Banks (amount held in various bank accounts of LEEL) (List attached herein).

xxxviii. The Liquidator shall continue to hold the following bank account namely – LEEL ELECTRICALS LIMITED- IN LIQUIDATION, Bank Name KOTAK MAHINDRA BANK, Branch- PAMPOSH ENCLAVE, GK-1, NEW DELHI, IFSC Code- KKBK0000195, Account Number -0446162591 till the entire proceeds received from the Successful purchaser are distributed to the Creditors in accordance with section 53 of IBC 2016. Further, a direction be given that Liquidator is empowered to issue directions to the banks to change the operating signatories of other bank accounts of the Corporate Debtor, wherever required on the instructions of successful auction purchaser.

xxxix. On the Effective Date, all rights and entitlements of, claims or demands made by or liabilities or obligations owed or payable to, the Financial Creditors, Operational Creditors, Employees, Workmen including claims related to their social security contributions including Provident fund, gratuity, pension, Suppliers, Governmental Agencies, tax authorities including GST, income-tax liabilities, VAT liabilities, excise liabilities, service tax liabilities, (including but not limited to liabilities, interest and penalties, duties, etc. on account of income-tax, tax deduction at source, custom duty, value added tax, service tax, wealth-tax, cess, DGFT dues, withholding tax liabilities etc. or any other liability not specifically mentioned herein, including any interest, fines, penalties, fees, cess, surcharge or similar assessments payable, etc.), whether filed/lodged/admitted/verified by the Liquidator or not, due or asserted contingent, or un-asserted, crystallized or un-crystallized, known or unknown, contract, judicial/ quasi- judicial proceedings, disputed or undisputed, present or future, including any liability arising out non –compliance of any laws, rules, regulations, directions, provision notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions as applicable on the Corporate Debtor, or reports as applicable on the Corporate Debtor, for the period up to the Effective Date (NCLT Approval for Going Concern Sale of Corporate Debtor), shall stand

permanently and fully for satisfied/extinguished the Successful Auction Corporate Debtor acquired by the Purchaser in accordance with section 53 of IBC 2016.

xl. A direction be issued to the Liquidator that all the compliances for the period up to the Effective Date including filing of necessary documents and returns with the Registrar of Companies, Income Tax Authorities any other Government Authorities should be completed.

xli. A direction may be issued that the exemption/relaxation provided under Regulation 158(2) and 170 of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 and under Regulation 3(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2018, under Rule 19A(5) of the Securities Contracts (Regulation) Rules 1995 and under of the SEBI (Listing (Listing and Regulation 31A Obligations) Regulations 2015 for reclassification of promoters and public shareholders available to a successful resolution applicant for a resolution plan under corporate insolvency resolution process approved by this Hon'ble Tribunal, shall apply mutatis mutandis to sale of the corporate debtor as a going concern under liquidation.

xl.iii. A direction to be issued to SEBI/NSE/BSE/Income Tax Authorities or any other authorities for vacating the orders passed in violation of moratorium under Section 14 and Section 33 of the IB Code, 2016 including passing of order for delisting or suspension of shares/trading of the Corporate Debtor from NSE/BSE within 45 days from the date of passing of order for approval of this Application or within 45 days of intimation of such violation by the Respondent herein.

xli. A direction to be issued to BSE/NSE in respect of the sale of the Corporate Debtor as a going concern, so as to enable Successful Auction Purchaser to proceed in accordance with extant rules and regulations.

xli. No disability in terms of Section 29 A of the Corporate Debtor for any defaults made by the corporate debtor's subsidiaries.

xlvi. Direction be issued, that the registered office of the Corporate Debtor be shifted from its present location to any other location as per the normal procedure within the jurisdiction of ROC only and the Registrar of Companies be directed to approve/accept the same without any approval of shareholders.

xlvi. A direction to be issued that the Sale of Corporate Debtor as going concern shall be binding on all utility providers and all the continue shall to supply the utility providers utilities/resume to supply the utilities to the Corporate Debtor, as may be required for operations of the Corporate Debtor.

C. Pass any other order (s) as this Hon'ble Tribunal may deem fit and proper in the interest of justice.

2. The facts of the case in brief as averred in the Application are that the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated vide order dated 04.03.2020 of this Tribunal. Interim Resolution Applicant (IRP) earlier appointed by the Tribunal vide above mentioned order dated 04.03.2020 was later replaced by the present Applicant who was first appointed as Resolution Professional and then Liquidator when liquidation process of the Corporate Debtor started. As no Resolution Plan received during CIRP and put before the Committee of Creditors (CoC) was approved, as a natural consequence in of section 33 of the IBC, 2016, application for liquidation of the Corporate Debtor was filed and this Tribunal vide order dated 06.12.2021 directed to initiate the process of

liquidation of the Corporate Debtor under section 33(2) of the Code read with sub-section (1) and the present applicant has been appointed Liquidator.

3. The Applicant initiated the process in terms of Regulation 12 of IBBI (Liquidation Regulations), 2016 by publishing Form-B on 07.12.2021 for inviting claims from various stakeholders of the Corporate Debtor and thereafter constituted Stakeholders Consultation Committee (hereinafter 'SCC') on 04.02.2022.

4. The first meeting of the SCC took place on 14.02.2022 wherein it was decided that reserve price for the sale of assets of the Corporate Debtor as a going concern will be fixed at Rs. 100 crores. In the 2nd Meeting of SCC which was held on 28.02.2022, it was decided to publish a sale notice in a manner which presented an option for sale of the Corporate Debtor as a going concern and individual plant as a whole wherein plant wise blocks would be formed and the average total value of the L&B, P&M, and inventory will be fixed as reserve price for each of the block and this shall form part of the sale notice for selling the corporate debtor as a going concern. Thereafter, 6 plants of the Corporate Debtor were sold. However, certain assets were yet to be sold.

5. After selling of 6 plants belonging to the Corporate Debtor under different blocks, the following assets were pending to be sold during the Liquidation Process other than certain assets lying with ICD, Dadri

- a) The Name and Icon of the Company i.e. “Leel Electricals Limited” along with Manufacture and Designs Procedure owned by the Corporate Debtor
- b) Possession rights to the building situated at Plot No. 24, Sector 2, IIE, SIDCUL Rudrapur for which a litigation before this Tribunal bearing IA No. 278 of 2020 of CP (IB) 75/2019 is pending on the ownership of this premises
- c) Unlisted shares owned by the Corporate Debtor
- d) Complete transfer of Book Receivables or any other tangible or intangible assets which the successful bidder might pray before the Adjudicating Authority while implementation of sale as Going Concern.

6. Sale of above-mentioned remaining assets were discussed in SCC meeting held on 25.01.2023 in which Applicant apprised the members that land in Rudrapur is not in the name of the Corporate Debtor, hence only possession rights of the building can be given to the buyer and due to this reason, the building

could only be sold along with the sale of the company as a going concern in order to transfer indisputable possession rights of the building. The valuation of the said building as per the valuation report was Rs. 1.34 crores and therefore, SCC Members decided to keep the reserve price at Rs. 3 crores.

7. For sale of remaining assets, the Liquidator took necessary steps for publishing of the notice on 07.03.2023 to sell the Corporate Debtor as going concern in the following newspapers

i. Financial Express (English)

ii. Jansatta (Hindi)

iii. Times of India (English)

iv. Hari Ghata (Hindi)

8. In pursuance to advertisement dated 07.03.2023, an E-Auction Process Information Document (hereinafter referred as “Process Information Document”) dated 10.03.2023 has been issued by the Liquidator for the sale of the Corporate Debtor as going concern as per Regulation 32A read with Regulation 32(e) fixing the date of E-Auction as 10.04.2023. This Process Information Document has been annexed as **Annexure A-11** with the Application. In this document, it is stated in para 4.2 about the “*present status*” of the Corporate Debtor under sale during

the Liquidation Process that *“The Liquidator is in the process of inviting qualified bidders to participate in the E-Auction for sale of Company on going concern basis in accordance with the provisions of IBC and Liquidation Process Regulations, subject to the terms laid down in this E-Auction Process Document”*. Regarding the assets of the Corporate Debtor under sale, it is further specified in the said process document that *“On standalone basis. On 25th April 2022 the E-Auction of the 5 plants (Tauru, Kaalaamb, Ranipet, Haridwar, Bhiwadi) were successfully conducted and Letters of Intent have been issued to all the five Successful H1 bidders on 26.04.2022. The possession of Plants and Original documents in respect of Title Deed, Allotment letters has also been provided to H1 Bidders after receipt of full consideration. In the first E-Auction all the plants were sold except Rudrapur Plant. Thereafter second E-Auction was conducted wherein the Plant and Machinery and Inventories situated at Plot No. 24, Sector 2 IIE, SIDCUL, Rudrapur, Uttara Khand was successfully sold to another H1 Bidder. Now, the Sale of Corporate Debtor as a going concern presently include building of Rudrapur Plant (Rudrapur Plant excludes Lands as the Land is in possession of IM Capital Plus*

who is a successful resolution applicant of FEEL Limited”) and Securities and Financial assets.”

9. In para 9.1 of the said Process Information Document, details of the assets of the Corporate Debtor under sale identified as “**Block C**” has been provided stating that “*Block C for sale of LEEL Electricals Limited as going concern is subject to Hon’ble NCLT approval and it includes the following assets:*

a. The Name and Icon of the Company i.e. "LEEL Electricals Limited" along with Manufacture and Designs Procedure owned by the Corporate Debtor (if any) subject to NCLT Order.

b. Possession rights to the building situated at Plot No. 24, Sector 2, IIE, SIDCUL Rudrapur (Subject to pending litigation before NCLT bearing I.A. No. 278 of 2020 of CP IB 75/2019).

c. Unlisted shares owned by the Corporate Debtor

d. Complete transfer of Book Receivables or any other tangible or intangible asset which the successful bidder might pray before the Adjudicating Authority while implementation of sale as going Concern.”

In this para of the Process Document, the Reserve Price of Block C is specified to be Rs. 3,00,00,000/- and it is further specified that “*Under Block C- Securities and Financial Assets and the building of the Rudrapur Plant excluding Land have been grouped together which shall be sold as going concern under liquidation*”. As regards the Land at Rudrapur, it is clarified that “*The land at Rudrapur is not owned by Corporate Debtor. Earlier it was owned by Fedder*

Electric and Engineers Ltd. Now, IM Capital Plus is the owner being the successful Resolution applicant of Fedder Electric and Engineers Ltd.”

It is also explained that “Block C is for the sale of Corporate Debtor as going concern and Block A and Block B is for the sale of assets lying with CMA CGM Logistic Park Private Limited and DMRC Sarita Vihar Depot. This document pertains to auction of Block C. For Block A and Block B a separate auction document will be made available”

10. Apart from giving the details of the “Included Assets” and “Excluded Assets” of the Corporate Debtor under sale as per the Process Information Document, a thorough discussion on the inclusion and exclusion of Corporate Debtor’s assets for sale as a going concern was held during the 11th SCC Meeting held on 19.4.2023. Subsequently, the following decision was reached on the sale of **Block C** of the Corporate Debtor under consideration in the instant Application for approval.

LIST OF INCLUDED ASSETS	LIST OF EXCLUDED ASSETS
1. The Name and Icon of the Company i.e., "LEEL Electricals Limited" along with Manufacture and Designs Procedure owned by the Corporate Debtor (if any)	1. Applications u/s Sections 43, 66 under IBC 2016 (preferential transaction, undervalued avoidance of transaction, to transactions defrauding creditors,

<p>subject to NCLT Order or any other intangible asset in the name of the Corporate Debtor.</p>	<p>fraudulent transactions) with the NCLT against the ex-Directors of the Corporate Debtor during the Corporate Insolvency Process. Any proceeds and/or assets received on account of the applications filed under these sections 43, 45, 49, 66, shall not form part of the liquidation sale under the E- Auction, however, shall be part of the liquidation estate, distribution to the Financial Creditors. In the event, any assets are reversed to the ownership of the Corporate Debtor, the Successful Bidder shall make necessary arrangement as required by the Liquidator for enabling the Liquidator to sell those assets separately as part of the liquidation estate.</p>
<p>2. Possession rights to the building situated at Plot No. 24, Sector 2, IIE, SIDCUL Rudrapur (Subject pending litigation before NCLT bearing</p>	<p>2. Any existing personal guarantees issued by the by the promoters/ any other group companies of the Corporate Debtor shall not</p>

I.A. No. 278 of 2020 of CP IB 75/2019).	form part of Sale of the Company as a going concern under the liquidation process under the E-Auction.
3. Unlisted shares owned by the Corporate Debtor or any other investment as per the books of account in the name of the Corporate Debtor.	3. Any assets (owned by third parties) mortgaged to the lenders of the Company but not owned by the Company shall not form part of the liquidation sale under the E-Auction.
4. Complete transfer of Book Receivables or any other tangible or intangible asset which the successful bidder might pray before the Authority while of sale implementation of sale as Going Concern.	4. The assets which are not covered under 9.1 of the E-Auction Process Document of the aforesaid mentioned clauses. The same shall be excluded from the Block-C (Sale of Corporate Debtor as going concern).
	5. In addition to the above-mentioned were items, the following assets proposed to be excluded from the Sale of corporate Debtor as a Going concern- a) Goods held at Customs Noida and DMRC Sarita Vihar Deport/ Proceeds of sale of assets lying with Custom

	<p>Department and DMRC Sarita Vihar Deport.</p> <p>b) Debit Balances/ Trade Receivables from the Sundry Debtors worth Rs.565.06 Crores as reflected in the books of accounts</p> <p>c) Receivables from Banks</p>
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11. Clause 11.2 of the Process Information Document provides details of auction process to be followed for sale of “**Block C**” of the Corporate Debtor, which is under consideration in the instant Application for approval. The following timeline has been followed by the Liquidator for completing this process:

S.NO.	PARTICULARS	Due Dates
1.	Date of Public Notice for sale of the assets of the Corporate Debtor	07.03.2023
2.	Submission of Eligibility Documents by Prospective Bidder	21.03.2023
3.	Approval of the Prospective Bidder by Liquidator i.e. Declaring Qualified Bidders	25.03.2023
4.	Inspection or Due Diligence of assets under auction and site visits	10.4.2023
5.	Deposit of EMD by the qualified bidders (two days before the date of auction)	08.4.2023
6.	Date of E-Auction	10.04.2023

12. As per clause 11.2(v), the Qualified Bidder is required to submit EMD of Rs. 30,000/- to participate in the auction process. As per clause 11.2(ix), the Successful Bidder shall be required to submit 25% of the highest/final bid amount (less the EMD amount) – Payable within 15 days from the date of declaration of the successful bidder as 1st installment through RTGS/NEFT/DD.As per clause 11.2(xii), balance 75% of sale consideration shall be paid by the Successful Bidder after approval of the sale of the Corporate Debtor as going concern by the Adjudicating Authority.

13. As averred in the Application, during the liquidation process for sale of the assets of the Corporate Debtor as going concern, two bidders submitted the bid along with the EMD on 08.04.2023. The Applicant Liquidator accordingly inspected their eligibility criteria in terms of the E-Auction Process Information Document and the provisions of section 29A and after being satisfied with their eligibility, their bids have been considered by him. The details of the bidders are mentioned in the table below:

S. No.	Name of the Qualified Bidders for Block-C
1.	Krishna Ventures Limited
2	Adi Impex Infra Services

14. The E-Auction took place on 10.04.2023 wherein Krishna Ventures Limited emerged as the Highest Bidder with final bid amount of Rs. 5,27,00,000. This bid amount is having an incremental value of Rs. 2,27,00,000, which comes to 175.67% of the Reserve Price.

Block	Highest Bidder	Final Bid Amount	Reserve Price	Incremental Value	Percentage
C	Krishna Ventures Limited	5,27,00,000	3,00,00,000	2,27,00,000	175.67%

15. As per clause 11.2(vii) of the E-Auction Process Document, the highest bidder would be declared as a successful bidder by the Liquidator in consultation with the SCC after conclusion of the E-Auction. The Liquidator declared Krishna Ventures Limited as the Successful H-1 bidder of the E-Auction which took place on 10.04.2023 for sale of the Corporate Debtor as a going concern and Letter of Intent (LOI) dated 30.04.2023 stating all the terms and condition, was issued. Copy of the Letter of Intent dated 30.04.2023 has been annexed as **Annexure A-9** with the Application. The H-1 Bidder has duly accepted the LOI dated 30.04.2023 attaching list of reliefs sought, which is annexed as **Annexure A10** with the Application

16. The Successful H-1bidder who is the Respondent in the present Application, paid the First Installment of Rs. 1,01,75,000 by 15.05.2023, being 25% of the Final Sale Consideration less a EMD already deposited. A table depicting the calculation of the sale consideration in terms of clause 11.2(v), 11.2(ix) and 11.2(xii) of Process Information Document is as below: -

Description	Amount	Last Date
Highest Bid Amount	5,27,00,000	
25% of the Final Sale Consideration	1,31,75,000	
Less EMD Already deposited	(30,00,000)	
Total 1 st Installment to be paid (25% of Balance Sale Consideration)	1,01,75,000	15.05.2023
Balance Consideration to be paid	3,95,25,000	30 days from the approval from the Adjudicating Authority

17. As per clause 11.2(xi) of the Process Information Document, the Liquidator in consultation with H1 Bidder will be filing an Application before the NCLT for the purpose of seeking directions for implementing the sale under liquidation of the corporate debtor as a going concern to the Successful Bidder. The Liquidator in consultation with the successful bidder will also approach the Adjudicating Authority and will seek appropriate

relief/concession/waiver for proper implementation of the sale as Going Concern. As per clause 11.2(xii), the Successful Bidder shall be required to deposit the balance sale consideration (plus applicable taxes as determined by the Liquidator) within 30 days from the final order of the Adjudicating Authority approving the sale of the Corporate Debtor as going concern.

18. As the H-1 Bidder/Successful Auction Purchaser has paid the 1st installment of sale consideration and therefore, in view of the above clause 12(xi) of the E-Auction Process Information Document, the Applicant Liquidator has filed the present Application before this Tribunal seeking directions for implementation of sale of Corporate Debtor as going concern and also seeking related reliefs, waivers, concessions as per the prayers made in the Application and the same have already been reproduced in para 1 of this order.

19. A written submission has also been filed by the Ld. Counsel of the Applicant Liquidator on 18.12.2023 providing justification for each of reliefs sought in the Application, which has been considered by us while adjudicating upon this Application. It has also been stated in the written submission that subsequent to the sale of the Corporate Debtor as a going concern, the

Applicant vide letter dated 22.05.2023 informed the office of the Principal Chief Commissioner of Income Tax, Kanpur and vide letter dated 15.07.2023 to Bombay Stock Exchange about the sale of the Corporate Debtor as a going concern in view of Regulation 32(e) read with Regulation 32A of the Liquidation Process Regulation.

FINDINGS AND ORDER

20. We have heard the Ld. Counsels of both the parties and perused the materials on record including the written submission filed by the Liquidator.

21. The present Application has been filed by the Applicant Liquidator in view of the clause 12(xi) of the E-Auction Process Document seeking approval of the sale of certain assets of the Corporate Debtor to successful H-1 Bidder, M/s Krishna Ventures Ltd., claimed to have been sold as going concern for which approval of the Adjudicating Authority is needed before the payment of final amount by the Successful Bidder and also certain reliefs, concessions and exemptions have been sought in this Application.

22. With regard to the sale of the assets of the Corporate Debtor under consideration in the present Application, we have noted that after sale of 6 plants of the Corporate Debtor and having been apprised by the Liquidator in the meeting of the SCC held on 25.01.2023 about land at Rudrapur not being in the name of the Corporate Debtor, hence only possession rights of the building can be given to the buyer and due to this reason, the possession of the Building could only be sold along with the sale of the company as a going concern in order to transfer indisputable possession rights of the building, members of the SCC approved sale of remaining assets (as discussed in para 5 and 10 of this order) of the Corporate Debtor as Going Concern fixing the reserve price at Rs. 3 crores. During Auction Process, highest Bid has been received from M/s Krishna Ventures Ltd. at Rs. 5,27,00,000/-, which is Rs. 2,27,00,000/- more than the reserve price. The highest bidder has been declared as successful bidder by the Applicant Liquidator in consultation with SCC in the meeting held on 19.04.2023 and then the decision was communicated to the highest bidder who vide email dated 27.04.2023 accepted the offer and paid the first installment and now, balance consideration of Rs. 3,95,25,000/- is pending for

payment to conclude the said sale, which will be paid within 30 days from the approval of the Adjudicating Authority as discussed from para nos. 15 to 18 of this order.

23. We noted that even though there is no specific provision in the IBC.2016 regarding “sale of the Company as a going concern”, IBBI has formed the Liquidation Process Regulations, under the Code and we have to take them as guiding principles in dealing with the present Application for providing approval of the sale of certain assets of the Corporate Debtor as going concern with certain reliefs, concessions and exemptions as prayed in the instant Application. While the Liquidation Process Regulation in its Regulation 32 recognizes going concern sale as one of the methods of sale of assets of a Corporate Debtor under liquidation, however, there is no definition as such for “going concern” either in the IBC, 2016 or in the Regulation. Regulation 32A(1) of the Liquidation Process Regulation only provides for making endeavor to first sell the Corporate Debtor as going concern to maximize the value of the Corporate Debtor, which is reproduced as under: -

“32A. Sale as a going concern.

(1) Where the committee of creditors has recommended sale under clause (e) or (f) of regulation 32 or where the liquidator is of the opinion that sale under clause (e) or (f) of regulation 32 shall maximize the value of the corporate debtor, he shall endeavor to first sell under the said clauses.”

24. In this regard, we have also examined the report of the Insolvency Law Committee dated 26/03/2018 (Para 8.1 of the Report), wherein the committee examined the term “going concern” as below:

“The phrase ‘as a going concern’ imply that the Corporate Debtor would be functional as it would have been prior to the initiation of CIRP, other than the restrictions put by the Code.”

25. It is significant to refer Para Nos. 7 & 8 of the Round Table of Insolvency and Bankruptcy Board of India held with the stakeholders on 21/05/2018, referring to the case of Gujarat NRE Coke Ltd. (CP(IB) No.182/KB/2017 passed by NCLT Kolkata Bench, wherein a note was published by IBBI defining “going concern” as below:

*“7. ‘**Going Concern**’ means all the assets, tangibles or intangibles and resources needed to continue to operate independently a business activity which may be whole or a part of the business of the corporate debtor without values being assigned to the individual asset or resource.”*

In view of this, the following options are submitted for consideration:

a. The corporate debtor may be sold as a going concern, as provided in the extant regulations. As the Company survives, there will be no need for dissolution of the Company in terms of section 54 of the Code. The assets along with all attendant claims, limitations, licenses, permits or business authorizations remain in the Company. The Company survives as it was; the ownership of the Company is transferred by the Liquidator to the acquirer. The Liquidator shall make an application to the AA for approval of the sale of the corporate debtor as a going concern and the AA may pass an order with respect to:

- (a) Sale of the corporate debtor to the intended buyer as a going concern*
- (b) Transfer of shares of the corporate debtor to the intended buyer*
- (c) Transfer of the going concern of the corporate debtor to the buyers*
- (d) Continuation of the authority, powers and obligations of the Liquidator to complete the liquidation process as provided under the Code and the regulations including the control, operations and continuation of the liquidation bank account of the corporate debtor,*

- (e) *Payment to stakeholders in accordance with section 53 from the liquidation bank account, and*
- (f) *Protection of the intended buyer from all claims and liabilities pertaining to the period prior to the sale of the corporate debtor as a going concern.*

In such a case, the final report of Liquidator, as required under clause (3) of regulation 45, shall form part of the application for the closure of the liquidation process of the corporate debtor and not for the dissolution of the corporate debtor to the AA to be made under section 54.

b. The regulations may provide another option of sale, that is, sale of business of the corporate debtor as a going concern. It will be only sale of business, not the corporate debtor which will be liquidated in accordance with the regulations. In this case, the assets and liabilities relevant for the business are transferred to a new entity, and stakeholders are paid from proceeds of sale in accordance with section 53 and the corporate debtor will be dissolved.”

8. Both the options require consent of the secured creditors to relinquish security interest. If security interest is not relinquished, other modes of sale will be used.”

26. Looking to the above report of the IBBI, it is clear that while selling the Corporate Debtor as a ‘going concern’, the Corporate

Debtor is retained, it will not be dissolved and the Corporate Debtor will be transferred along with the assets. So, the Corporate Debtor as a legal entity remains as such. The crux of the 'going concern sale' is that the equity shareholding of the Corporate Debtor is extinguished and the acquirer takes over the undertaking with the assets, licenses, entitlements etc. The undertaking includes the business of the Corporate Debtor, assets, properties and rights etc. excluding the liabilities.

27. Thus, under such going concern sale, the Corporate Debtor survives, only the ownership is transferred by the Liquidator to the purchaser. All the rights, titles and interest in the Corporate Debtor including the legal entity is transferred to the purchaser. After sale of the Corporate Debtor as a 'going concern', the purchaser will be carrying on the business of the Corporate Debtor as it was being carrying out earlier with all the employees who were running the Corporate Debtor earlier and only the erstwhile management is replaced by the purchaser.

28. Regulation 45 provides for submission of final report by liquidator and its clause (a) of sub-section (3) provides for closure of liquidation process of the Corporate Debtor where Corporate

Debtor is sold as going concern. The said regulation is reproduced as below.

“....

45. Final report prior to dissolution.

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for—

(a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or

(b) for the dissolution of the corporate debtor, in cases not covered under clause (a). As all the process for sale of Corporate Debtor as going concern is complete and full amount of consideration is received from successful auction purchaser, the liquidation process can be closed as per the provision of Regulation 45(3)(a).

As far as the distribution of sale proceeds of liquidation process is concerned, when the sale consideration is received from the bidder / purchaser, the same will be distributed to the Creditors in accordance with Section 53 of the Code. Since the amount is paid to the Creditors in terms of the Code, the liabilities of the Corporate Debtor towards the Creditors are treated as settled and the purchaser takes the assets free of any encumbrances or whatsoever.”

29. As far as the distribution of sale proceeds of liquidation process is concerned, when the sale consideration is received

from the bidder/purchaser, the same will be distributed to the Creditors in accordance with Section 53 of the Code. Since the amount is paid to the Creditors in terms of the Code, the liabilities of the Corporate Debtor towards the Creditors are treated as settled and the purchaser takes the assets free of any encumbrances or whatsoever.

30. In the normal parlance, “going concern” sale is transfer of assets along with the liabilities. However, as far as the ‘going concern’ sale in liquidation is concerned, there is a clear difference that only assets are transferred and the liabilities of the Corporate Debtor has to be settled in accordance with Section 53 of the Code, hence the purchaser of the Corporate Debtor takes over the assets of the Corporate Debtor without any encumbrance or charge and free from the action if any to be taken by the old Creditors of the Corporate Debtor, which existed before starting of the Liquidation Process. Only ownership of the Company is acquired by the successful bidder/purchase from the Liquidator and the proceeds from the sale of assets of the Corporate Debtor as going concern are utilized for discharging the liabilities towards the erstwhile Creditors in the manner specified under Section 53 of the Code. Hence all the Creditors of

the Corporate Debtor get discharged and the assets are transferred free of any encumbrances. The legal entity of the Corporate Debtor, however survives and is not dissolved in terms of Section 54 of the Code. The assets with the attendant, claims, limitations, licenses, permits or business authorizations etc. remains with the Corporate Debtor sold as going concern to the purchaser.

31. Considering the provisions relating to sale of a Corporate Debtor as a going concern under IBC, 2016 and related guidelines as well as the judicial decisions available so far in this respect and on perusal of the pleadings and submissions made by the Ld. Counsel for the applicant, and keeping in view the provisions of Section 60(5) of the Code and Rule 11 of NCLT Rules, 2016 and Regulation 32 and 32A of the Liquidation Process Regulation, we the Adjudicating Authority have to see whether the procedures provided for under the Code, and relevant regulation have been followed or not while carrying out the liquidation process of the Corporate Debtor and then have to be satisfied with the need for approval of all reliefs, concessions, exemptions etc. sought for smooth implementation of sale of the Corporate Debtor under liquidation as a going concern as prayed

by the Applicant, to be granted to the successful auction purchaser/bidder.

32. In the present case under consideration, after selling 6 plants of the Corporate Debtor on standalone basis, decision to sell the remaining assets of the Corporate Debtor as going concern, mainly comprising of the Name and Icon of the Company i.e. “Leel Electricals Limited” along with Manufacture and Designs Procedure owned by the Corporate Debtor and possession right of a building at Rudrapur has been taken by the Liquidator in consultation with the SCC citing the reason that land in Rudrapur is not in the name of the Corporate Debtor, hence possession of the building could only be sold along with the sale of the company as a going concern in order to transfer indisputable possession rights of the building.

33. We though find that the entire assets of the Corporate Debtor are not sold as a whole making the Corporate Debtor to be functional as it would have been prior to the initiation of CIRP as normally the sale of the Corporate Debtor as going concern is understood, however, under the peculiar facts and circumstances of the present case, we find that after selling all the plants of the Corporate Debtor on standalone basis, the Name and Icon of the

Corporate Debtor with Manufacture and Designs Procedure remains along with a building that is built on a land not owned by the Corporate Debtor for which the buyer is available in the market, who has purchased these assets at a price 175% more than the reserve price (*ready to pay Rs. 5,27,00,000/- as against the reserve price of Rs. 3,00,00,000/-*) and such sale of the name of the company i.e. M/s Leel Electricals Ltd. with Manufacture and Design procedure of the products being manufactured by the company along with possession right of the building from where this company can run is possible only when the Corporate Debtor is sold as going concern, so that name of the Corporate Debtor survives and its ownership is transferred by the Liquidator to the Successful Auction Purchaser/Bidder and all the rights, titles and interest in the Corporate Debtor including the legal entity is transferred to such Purchaser so that Purchaser can again start business in the name of the company i.e. M/s Leel Electricals Ltd.. Therefore, we hereby approve the sale of the Corporate Debtor as a going concern to the extent of the assets as mentioned in clause 9.1 of the E-Auction Process Information Document and also the included assets as mentioned in para 18 of the Application for consideration of Rs. 5,27,00,000. The

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Successful Bidder shall complete the sale process by paying balance consideration amount within 30 days from the date of this order and upon payment of entire sale amount, all rights, title and interest in whole and every part of the Corporate Debtor including but not limited to intellectual property rights, free from security interest, encumbrance, claim, counter claim or any demur belonging to Corporate Debtor but excluding the assets in accordance with E- Auction Process Information Document and the list of excluded assets as mentioned in para 18 of the Application, shall continue to vest in the Corporate Debtor. As the litigation before this tribunal in respect of the land and building situated at Plot No. 24, Sector 2, IIE, SIDCUL, Rudrapur is pending in IA No. 278 of 2020 of CP IB 75/2019, the possession right of this building would be available to the Successful Auction Purchaser/Bidder subject to the outcome of this IA.

34. As a consequence to the above findings and taking into account all the discussions and on perusal of the pleadings and submissions made by the Ld. Counsel for the Applicant Liquidator, the following orders are passed in respect of prayers *(as reproduced in para 1 of this order)* made in this Application

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-Sd/-

- I. The prayer B(i) is hereby allowed subject to our decision as held in para 33 of this order
- II. The relief sought in prayer clauses B [(ii), (iii), (iv), (vii), (ix), (xi), (xii), (xv), (xvi), (xvii), (xviii), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxix),(xxx), (xxxii), (xxxiii), (xxxiv), (xxxv), (xxxvi), (xxxix), (xli), (xlii), (xliv)] shall be dealt with as per the provisions of applicable law.
- III. Prayers made in B [(v), (vi) and (xxvi)] are covered by the provisions of Section 32A and 238 and shall be available to the Successful Auction Purchase accordingly as per the extant provisions, hence no separate relief in respect of these prayers is required to be granted. Therefore, the said provisions would *ipso facto* apply.
- IV. Prayer made in B (viii) is allowed. The ROC concerned shall take action to change the status of the Corporate Debtor in the records of the ROC from the status of “liquidation” to the status of “active”
- V. Prayer made in B (x) is allowed. The Board of the Corporate Debtor can be re-constituted as mentioned in the prayer.
- VI. As regards the prayer B (xiii), the Liquidator and Respondent shall be at liberty to take all the steps required

to make accounting entries for the smooth transmission and clearing the balance sheet as per the applicable accounting standards prescribed under the Companies Act, 2013. The Liquidator is directed to ensure completion of pending filings of statement and required forms with the concerned Registrar of Companies, Income Tax Authorities and any other Government/Statutory Authorities.

VII. As regards the prayer in B (xiv), the concerned Registrar of Companies shall take necessary steps in accordance with the provisions of the Companies Act.

VIII. Prayer made in B (xix) is allowed directing all the erstwhile officials of the Corporate Debtor working with it till the date of starting the liquidation, past bankers, and other persons mentioned in this prayer to provide necessary cooperation and assistance as mentioned in this prayer from the date of this order and subject to any limitation as available under any law applicable in this respect.

IX. As regards the prayer made in B (xxv), after payment of the full amount of consideration and handing over of the assets of the Corporate Debtor as ordered in para 33 of this order, all regulatory approvals, licenses and contracts as per the

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applicable law, shall be provided in the manner required by the Successful Auction Purchaser/Bidder who is respondent in this Application.

- X. Prayer B (xxvii) is allowed for the Corporate Debtor to be at liberty to decide about its employee strength as deemed fit in order to keep it as a going concern.
- XI. The prayer made in B (xxviii) shall be subject to outcome of the IA No. 275/2021, 278/2021 and 280/2020.
- XII. The prayer made in B (xxxvii) is decided in respect of the assets not included in the Going Concern Sale shall be in accordance with the clause 9 (pg no 30 and 31) of the E-Auction Process Information Document.
- XIII. Prayers no. B (xxxviii) is allowed for the Liquidator to hold the bank accounts as mentioned in this prayer till the entire proceeds received from successful purchaser are distributed to the Creditors in accordance with section 53 of IBC 2016. For operating these bank accounts, the Liquidator may take necessary steps as per the banking laws, rules and regulations.
- XIV. Prayers no B(xl) is allowed and Liquidator is directed to complete all compliances for the period up to taking over of

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the Corporate Debtor by the Successful Auction Purchaser/bidder after paying the full consideration in respect of filing of necessary documents and returns with Registrar of Companies, Income Tax Authorities and any other Government Authorities.

XV. For relief sought in prayer B (xliv) in respect of any default made by the Corporate Debtor's subsidiaries in terms of section 29A of IBC, 2016 cannot be granted as being very general in nature without specifying the entity in respect of which relief has been sought and hence, rejected.

XVI. As regards the prayer B (xlvi), all the utility providers including the State Electricity Department are directed to continue to supply power/utilities and also to resume such supply if disconnected, as may be required for operations of the Corporate Debtor.

35. We direct the Liquidator to provide all support and assistance to the Successful Auction Bidder for smooth implementation of sale of the Corporate Debtor as a going concern.

36. Liquidation cost, if any, would be liable to be paid from the sale proceeds in accordance with the provisions of the code.

37. Liquidator shall submit the final report and compliance certificate in Form H for closure of the liquidation process of the Corporate Debtor as being sold as Going Concern.

38. The liquidator is directed to send the copy of this order within 7 days from the date of pronouncement to the Registrar of Companies, Kanpur and hand over all the books and files of the Corporate Debtor viz. M/s LEEL Electricals Ltd. which are in possession of the liquidator to the successful bidder.

39. The Registry is directed to communicate this order to the Registrar of Companies, Kanpur for updating the master data.

40. Ordered accordingly and **I.A No. 366 of 2023** is disposed of in terms as ordered above.

-Sd/-

(Ashish Verma)
Member (Technical)

-Sd/-

(Praveen Gupta)
Member (Judicial)

Date: 21st March, 2024