

**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 19.04.2023 AT 02:30 PM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC)/563/2023 in CP (IB) No.23/7/HDB/2018</b>
<b>NAME OF THE COMPANY</b>	<b>Power Finance Corporation Ltd</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>East Coast Energy Pvt Ltd</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>Power Finance Corporation Ltd</b>
<b>UNDER SECTION</b>	<b>7 of IBC</b>

**ORDER**

**IA(IBC)/563/2023**

This application is partly allowed, vide separate orders.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

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

**IA No.563 of 2023  
In  
CP(IB) No.23/07/HDB/2018**

**under section 60(5) of  
of the I&B Code, 2016**

**In the matter of:**

**Power Finance Corporation Limited**

**...FINANCIAL CREDITOR**

**Vs**

**East Coast Energy Private Limited**

(A Company under liquidation, incorporated  
Under the Companies Act, 1956 and validly  
Existing under the Companies Act, 2013  
Having its registered office at H.No.7-1-50,  
Flat No. 203, Myneni Apartments,  
Dharam Karam Road, Ameerpet,  
Hyderabad, Telangana – 500016)

**...CORPORATE DEBTOR**

**AND IN THE MATTER OF**

**Mr. Devendra Prasad, the liquidator for  
East Coast Energy Private Limited**

**...LIQUIDATOR/APPLICANT**

**Date of order: 19.04.2023**

**CORAM:**

**JUSTICE TELAPROLU RAJANI, MEMBER (JUDICIAL)**

**SHRI CHARAN SINGH, MEMBER (TECHNICAL)**

**Counsels present:**

For Applicant : Mr. Varun Ambati Counsel for liquidator  
For Respondent : None

**[PER: BENCH]  
ORDER**

This application is filed seeking grant an additional liquidation time period of 1 (one) year in accordance with the Regulation 44(2) of the Liquidation Regulations, to undertake liquidation of the Corporate Debtor. The grounds on which the above prayer is based, are as follows:

The Corporate Debtor was taken into CIRP by order dated April 03, 2018. Thereafter Liquidation order was passed on April 22, 2019, and the Applicant was appointed as the Liquidator. He took all the assets of the Corporate Debtor into his custody. As per the suggestion of the stakeholders, the Liquidator invited expression of interest (“EOI”) for sale of Corporate Debtor as a going concern. No EOI’s were received. Time was extended but however, no EOI was received despite the extension.

Hence, the Liquidator undertook sale of assets on a piecemeal basis and appointed two registered valuers and EOI for purchase of assets of Corporate Debtor was floated by the Liquidator. Three applicants submitted EOI for various lots of assets of the CD. However, the auction failed since no bids were submitted by the two applicants. Hence, the Liquidator wanted to sell the assets of the CD lot-wise (five lots) by another auction.

In addition to the above, in the light of the pandemic due to the outbreak of the Covid-19, the officials of District Administration namely, the District Collector & District Magistrate (Srikakulam), Revenue Divisional Officer and Tehsildar (“**District Administration**”), had requisitioned the Liquidator for the guest house of the Corporate Debtor at Township, for setting up relief camps.

IA No. 458/2020 in CP(IB)No.23/7/HDB/2018 was filed seeking for vacation of the premises of the CD occupied by the District Administration. But, however, the same was closed on the assurance given by the District Administration. But the premises was not vacated.

Hence, another application IA No. 572/2021 was filed seeking for vacation of the premises of the CD, for effectively undertaking liquidation process without any interference from the officials of the District Administration. The Premises was only vacated on December 15, 2021 after the order of the District Administration dated November 23, 2021. The liquidator received this order on December 2, 2021.

In the light of the above, Time Extension Application was filed by the Liquidator which was allowed. Successful bidder was declared and entered into an agreement of sale. Even during the second auction, no bids were received for other lots (except lot number 3) and the auction could not be successfully concluded. Shamirpet Logistics Hub Private Limited (“**Shamirpet**”) approached the Liquidator multiple times with several offers to purchase the Scheduled Property.

The Liquidator filed an IA No. 465 of 2021 (“**Private Sale Application**”) under Section 60(5) of the IBC 2016 read with Regulation 33(2) of the Liquidation Regulations, seeking permission to conduct private sale of the Scheduled Property.

Finally the Land Revenue Authority marked the land under Lot 1 as prohibited land, even when it has been alienated and conveyed by APIIC to the CD under registered sale deeds, and the CD became the absolute owner and peaceful possessor of the land under Lot 1. There was further delay caused, as some time was spent in undertaking the process of mutation in the land records so that the land is in the name of the CD. Despite continuous efforts of the Liquidator to get the de notification of land by the concerned authorities, there has been inordinate delay in passing the de notification order.

The Liquidator has conducted numerous auctions for the sale of the Land. All the auctions have failed and there have been no successful bidders. The Liquidator conducted a stake holder’s meeting to discuss the sale of the Township on March 15, 2023. The stakeholder’s decided to conduct another valuation of the Township to ascertain the next steps for sale of the Township.

Hence, due to the above reasons it is likely that the Liquidation process may take another 6 months. Hence, this application.

Heard the liquidator. From the events that are mentioned in the application it can be understood that though the Liquidator has made all his efforts to sell the CD as a going concern and that he was in the process

of making it successful inspite of several hurdles due to which he could not complete the Liquidation process within the given time. Extension for one year is sought for. But, however, we are inclined to extend the Liquidation period for another 6 months. However, the liquidator is at liberty to file an application for further extension, if he is not able to complete the liquidation process during 6 months from the date of this order. IA No.563 of 2023 is accordingly partly allowed and disposed of.

**Sd/-**  
**(CHARAN SINGH)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(JUSTICE TELAPROLU RAJANI)**  
**MEMBER (JUDICIAL)**

**Apoorva**