S.No.1

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
22-05-2026 AT 10:45 AM

CP (IB) No. 407/7/HDB/2018 &
IA(IBC) 239/2026
u/s. 7 of IBC, 2016

IN THE MATTER OF:
State Bank of India …Financial Creditor
AND
PPS Enviro Power Pvt Ltd ...Corporate Debtor

C O R A M:-
SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

IA(IBC) 239/2026

Present: Mr. M. Maharshi Viswaraj, Ld. Counsel for the Applicant**.**

Mr. Y. Surya Narayana, Ld. Counsel for the R1 / Liquidator.

Mr. K Vatsa Kumar, Liquidator.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

Sd/- **Sd/-**
MEMBER (T) **MEMBER (J)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT-I

I.A No. 239 of 2026

IN

C.P (IB) No.407/7/HDB/2018

[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016, r/w Rule 11 of National Company Law Tribunal Rules, 2016]

IN THE MATTER OF PPS ENVIRO POWER PRIVATE LIMITED

Between:

Frontline Wind Energy Private Limited
(Successful Bidder)
6/264-A, Surya Garden, Trichy Road,
Namakkal, Tamil Nadu – 637001

...Applicant

AND

1. Mr. K. Vatsa Kumar
Liquidator of PPS Enviro Power Private Limited
8-2-248/A/5/16, Plot No.717,
Road No.2, Banjara Hills,
Hyderabad - 500034

.... Respondent No. 1/ Liquidator

2. Registrar of Companies, Telangana
2nd Floor, Corporate Bhawan,
Bandlaguda, Nagole, Tattiannaram village
Hayat Nagar Mandal, Ranga Reddy District,
Hyderabad - 500 068, Telangana

....Respondent No.2

Date of Order: 22.05.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For Applicant : Mr. M Viswaraj, Ld. Counsel

For Respondent No.1 : Mr. K Vatsa Kumar, Liquidator
Mr. Y Sathyanarayana, Ld. Counsel

The present Application has been filed by the Successful Bidder, M/s. Frontline Wind Energy Private Limited (**Applicant**), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking grant of certain reliefs and concessions and other appropriate directions to enable the Applicant to effectively acquire control over the Corporate Debtor.

1. **Applicant's Submissions**

i) PPS Enviro Power Private Limited (Corporate Debtor/CD) was ordered to be liquidated by this Adjudicating Authority vide order dated 24.12.2021 and Respondent No.1 was appointed as the Liquidator to manage, protect, sell and liquidate the assets, properties and affairs of the Corporate Debtor.

ii) It is stated that the Corporate Debtor owns 34 windmill sites with approximate land area of 69 acres, comprising 33 windmills with a capacity of approximately 33.125 MW, located across Nagercoil, Tenkasi and Theni Districts in the State of Tamil Nadu.

iii) Pursuant to the liquidation process, the Liquidator issued the 10th E-Auction Information Process Document for the auction of 34 windmill sites and 33 windmills along with the Company, fixing a reserve price of Rs.54,00,00,000/- and an Earnest Money Deposit (EMD) of Rs.2,00,00,000/-.

iv) The Applicant participated in the e-auction conducted on 13.03.2025 by submitting a bid for an amount of Rs.54,20,00,000/- and remitted the requisite EMD of Rs.2,00,00,000/- in favour of the Corporate Debtor.

v) The Applicant was declared as the Successful Bidder and a Letter of Intent dated 22.03.2025 was issued by the Liquidator, which was duly accepted by the Applicant. In terms of the said Letter of Intent,

the balance sale consideration of Rs.52,20,00,000/- was required to be paid within a period of 90 days.

vi) It is submitted that due to the demise of the Chairman and Managing Director of the Applicant and the consequent financial constraints faced by the Applicant, the balance consideration could not be paid within the stipulated time and extensions were sought from this Adjudicating Authority. However, the Letter of Intent dated 22.03.2025 came to be cancelled by the Liquidator vide email dated 01.10.2025.

vii) It is stated that thereafter, the Applicant approached prospective investors and entered into a Memorandum of Understanding dated 30.12.2025 with Midwest Energy Private Limited and others, wherein the said Midwest Energy agreed to invest the balance amount of Rs.51,80,52,377/- along with applicable interest.

viii) In pursuance thereof, Midwest Energy Private Limited remitted an amount of Rs.51,79,00,000/- by way of Demand Draft dated 26.12.2025 in favour of "PPS Enviro Power Private Limited – Under Liquidation".

ix) Upon receipt of the said Demand Draft, the Liquidator convened a Stakeholders' Consultation Committee (SCC) meeting on 31.12.2025, wherein the members of the SCC expressed their willingness to accept the payment and proceed with the Letter of Intent dated 22.03.2025, declaring the Applicant as a successful bidder, subject to approval of extension of timeline for payment by this Adjudicating Authority.

x) The Applicant thereafter filed I.A. No. 20 of 2026 seeking revocation of cancellation of the Letter of Intent and extension of time up to 31.12.2025, which came to be allowed by this Adjudicating Authority vide order dated 06.01.2026.

xi) In view of the extension granted and upon successful completion of the auction, the Liquidator issued a Sale Certificate dated 10.01.2026 in favour of the Applicant.

xii) Subsequently, a Supplemental Memorandum of Understanding dated 28.01.2026 was entered into between the Applicant and the investors namely Midwest Energy Private Limited, Good Energies Private Limited and JMK Energy Infra Private Limited, wherein it was agreed that the equity shareholding of the Corporate Debtor will be as follows:

S.No.	Name of the Shareholder	Percentage (%)
1	Frontline Wind Energy Private Limited	12%
2	Midwest Energy Private Limited	51%
3	JMK Energy Infra Private Limited	12%
4	Good Energies Private Limited	25%
	Total	100%

xiii) It is submitted that the Applicant along with its investors proposes to reconstitute the Board of Directors of the Corporate Debtor by removal of the erstwhile directors and appointment of the following directors on the board of the Corporate Debtor:

S.No.	Name of the Director	DIN
1	Deepak Kukreti	03146700
2	Kukreti Soumya	01760289
3	Muralidhar Kadambi	08041312
4	Chandramoulieswaran Ganeshdevaraj	09549518
5	Muthu Kumar	06793626

xiv) Accordingly, the Applicant has approached this Adjudicating Authority seeking appropriate directions for recognition of the revised shareholding pattern, reconstitution of the Board of

Directors, change in the status of the Corporate Debtor on the MCA portal, satisfaction of charges, and grant of necessary reliefs and concessions to enable smooth implementation of the sale of the Corporate Debtor as a going concern.

2. **Reply of Respondent No.1/ Liquidator:**

i. The Respondent No.1, Liquidator of the Corporate Debtor, has primarily placed the matter for consideration of this Adjudicating Authority without raising any substantive objection.

ii. Insofar as the reliefs sought are concerned, the Respondent has largely left the same to be decided by this Adjudicating Authority, while stating that necessary steps for obtaining No Objection Certificates and filing of forms for satisfaction of charges shall be taken in accordance with law.

3. **ROC Report:**

i. The Respondent No.2/Registrar of Companies, Hyderabad has filed its report stating that the issue relating to allotment of shares in favour of the Applicant and the investor entities may be considered by this Adjudicating Authority on merits, since the Corporate Debtor is presently under liquidation and the provisions of Sections 42 and 62 of the Companies Act, 2013 doesn't apply.

ii. Insofar as the reconstitution of the Board of Directors is concerned, the Respondent No.2 has stated that the Applicant, being the Successful Bidder, has the right to reconstitute the Board of the Corporate Debtor, subject to orders of this Adjudicating Authority. It is further submitted that upon filing of Form INC-28 along with the order passed by this Adjudicating Authority, the status of the Corporate Debtor on the MCA portal can be changed from "Under Liquidation" to "Active-Compliant".

iii. The Respondent No.2, RoC has not made any submissions with regard to the prayers relating to satisfaction of charges and extinguishment of liabilities. However, it has been placed on record that an inquiry under Section 206(4) of the Companies Act, 2013 has been ordered against the Corporate Debtor by the Ministry of Corporate Affairs and that prosecution under Section 207(3) of the Companies Act, 2013 has also been initiated against the Corporate Debtor and its directors before the Economic Offences Court, Nampally, Hyderabad vide CC SR. No. 1572 of 2024.

4. **Written Submissions Filed by the Applicant**

i. It is submitted that neither the IBC nor the Liquidation Process Regulations impose any restriction requiring that the Successful Bidder must exclusively fund the acquisition from its own resources or prohibit induction of third-party investors. It is further submitted that the manner in which the Successful Bidder structures funding, capital infusion and management arrangements post acquisition forms part of commercial restructuring and revival of the Corporate Debtor.

ii. Reliance has been placed on the cases of ***Abhay Kumar Jitendra Shah vs. Sanjay B. Shah, Company Appeal (AT) (Ins.) No. 1157 of 2025***, ***Punjab National Bank (International) Limited vs. Perfect Day INC., Company Appeal (AT) (Insolvency) No. 1427 of 2022***, and ***Mr. Amitkumar Rishi Kumar Bhabhda vs. Mr. Amit Chandrashekhar Poddar, IA (IBC) No. 5599/MB/2023 in CP (IB) No. 1620/MB/2017***.

5. We have heard the parties and perused entire records.

6. Under Section 60(5)(c) of the IB Code, the Adjudicating Authority has the jurisdiction to entertain and dispose of any question of law or fact arising out of or in relation to the insolvency resolution or liquidation proceedings

of the Corporate Debtor, including the authority to grant necessary reliefs, immunities, or protections from past liabilities to ensure that the Successful Bidder can commence business on a clean slate. The Hon'ble NCLAT, Delhi in ***RMY Industries LLP vs. Apple Industries Pvt. Ltd., (Company Appeal (AT) (Insolvency) No. 1114 of 2022)*** affirmed the Adjudicating Authority's power to consider applications from the Liquidator or Successful Bidder regarding the terms of an auction sale, particularly when sold as a going concern, to address any arising issues.

7. The Applicant has sought reliefs and concessions limited to giving effect to the corporate structural changes flowing from the sale of the Corporate Debtor as a going concern. We find that certain reliefs are essential and consequential to the liquidation sale and do not amount to grant of any immunity or waiver beyond the scheme of the Insolvency and Bankruptcy Code, 2016.

8. Recognizing the critical importance of ensuring the continued and effective operation of the Corporate Debtor as a going concern, this Bench deems it necessary to grant reliefs and concessions that are essential for the successful administration of the Corporate Debtor, to the extent mentioned herein.

9. The Applicant has relied upon certain judgments of the Hon'ble NCLAT and Ld. NCLT, Mumbai, in support of its contention that post-acquisition restructuring of the shareholding and management structure proposed by the Successful Bidder ought not to be interfered with by this Adjudicating Authority. However, upon careful consideration of those judgments, we find that the factual matrix in the present case is materially different.

10. In ***Abhay Kumar Jitendra Shah vs. Sanjay B. Shah (Supra)***, the issue before the Hon'ble NCLAT pertained to modification of the shareholding and financial structure proposed by the successful acquirer itself, and the Hon'ble Appellate Tribunal held that the Adjudicating Authority ought not to substitute its own commercial wisdom in place of the commercial

structuring proposed by the successful acquirer. Similarly, in ***Punjab National Bank (International) Limited vs. Perfect Day INC. (Supra)***, the inclusion of another entity was found to be in conformity with the process documents governing the auction sale. Further, in ***Amitkumar Rishi Kumar Bhabhda & Ors. vs. Amit Chandrashekhar Poddar (Supra)***, the successful bidders themselves were the proposed shareholders and management inductees pursuant to the going concern sale.

11. However, in the present case, the investor entities in whose favour reliefs and concessions are sought were not participants in the auction process. The Letter of Intent dated 22.03.2025 as well as the Sale Certificate dated 10.01.2026 were issued exclusively in favour of the Applicant herein. The investor entities came into the picture subsequently through private arrangements entered into by the Applicant after conclusion of the auction process and restoration of the Letter of Intent. Therefore, unlike the cases relied upon by the Applicant, the present case involves a request for extension of auction related reliefs and concessions directly in favour of entities who were not part of the bidding process or the sale.

12. While this Adjudicating Authority is not inclined to interfere with the commercial decisions of the Successful Bidder regarding restructuring or induction of investors after acquisition, the reliefs and concessions flowing from the auction sale and the sale documents cannot be extended directly in favour of third-party investor entities who were not participants in the auction process and in whose favour no auction documents were issued. Accordingly, the judgments relied upon by the Applicant do not advance its case insofar as grant of reliefs directly in favour of the investor entities is concerned. Nevertheless, the Successful Bidder shall remain at liberty to undertake restructuring and induction of investors in accordance with applicable law after acquisition of the Corporate Debtor.

13. Accordingly, the following directions are passed:

    a) The existing equity share capital of the Corporate Debtor, as on the date of issuance of the Sale Certificate dated 10.01.2026, shall stand extinguished. The amounts infused by the Applicant towards acquisition of the Corporate Debtor shall be treated as amounts towards share capital of the Corporate Debtor.

    b) The Applicant is at liberty to reconstitute the Board of Directors of the Corporate Debtor.

    c) The Respondent No.2, Registrar of Companies is further directed to change the status of the Corporate Debtor from "Under Liquidation" to "Active" in the Master Data maintained on the portal of the Ministry of Corporate Affairs, upon filing of Form INC-28 and such other filings, in accordance with the report filed by the Respondent No.2.

    d) The Respondent No.1, Liquidator is directed to take necessary steps for obtaining No Objection Certificates from the lenders of the Corporate Debtor and for filing requisite forms for satisfaction of charges on the portal of the Ministry of Corporate Affairs.

14. With regard to any other concessions and reliefs sought by the Applicant under any other law, which are not specifically granted herein, the Applicant may approach the authority concerned who would consider such request under the applicable law keeping in view of Section 32A of IBC, 2016.

15. Accordingly, I.A. No. 239 of 2026 in C.P. (IB) No.407/7/HDB/2018 is allowed to the above extent.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)