S.No.05

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
20.08.2026 AT 10:30 A.M.

IA (IBC)/819/2026 in
Company Petition IB/678/7/HDB/2018
U/S 7 of IBC

IN THE MATTER OF:
Axis Bank Ltd **…Petitioner/s**

Vs
Lanco Kondaplli Power Ltd **…Respondent**/s

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

O R D E R

IA (IBC)/819/2026

Present: Mr. Sumit Kumar, Ld. Counsel for the Applicant.

Mr. Bharath Krishna, Ld. Counsel for the Respondent No.1.

Mr. Vikram, Ld. Counsel for the Respondent No.2.

Mr. Vatsa Kumar, Liquidator.

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed with cost of Rs 10,00,000/- payable to Prime Minister Relief Fund.

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

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II

IA (IBC) No. 819 of 2026 in
CP (IB) No. 678/7/HDB/2018

In the matter of

AXIS BANK, FINANCIAL CREDITOR
vs
LANCO KONDAPALLI POWER LIMITED, CORPORATE DEBTOR

Between:

M/s Fortune Global Solution Pte Ltd.,
Regd Office : 11, Collyer Quay,
10-05, The Arcade,
Singapore – 049317.

....Applicant

And

1. Mr K Vatsa Kumar,
Liquidator of
M/s Lanco Kondapalli Power Limited,
Office at : Global Insolvency Professional Pvt Ltd.,
8-2-248/A/5/16, Plot No. 717, Journalist Colony,
Road No.2, Banjara Hills,
Hyderabad – 500 034.

2. M/s MCM Pacific Pte Limited,
911 Lorong 1 Toa Payoh,
#25-01, Oleander Towers,
Singapore.

....Respondents

Date of order : 20.08.2026

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel present:

For the Applicant	:	Mr Gaurav Mitra
For the Respondent No. 1	:	Mr Anupm Prakash
For the Respondent No. 2	:	Mr Sameer Kumar

1. The present Application is filed by Fortune Global Solution Pte. Ltd., Singapore, under Section 60(5) of the IBC[1] read with Rule 11 of the NCLT Rules[2], challenging the e-Auction dated 16.06.2022, the Letter of Intent dated 21.06.2022, and the Sale Certificate dated 26.03.2026 issued by Respondent No.1, the Liquidator, in favour of Respondent No. 2, MCM Pacific Pte. Limited (**MCM**), in respect of the Phase III assets of Lanco Kondapalli Power Limited (**LKPL**), the Corporate Debtor, which is under liquidation[3]. The Applicant claims to be an interested bidder having a "keen interest" in the assets of the Corporate Debtor and alleges that the auction process was not fair, transparent or legally compliant.

The Application

2. According to the Application, the Phase III assets were put to sale pursuant to the Public Announcement dated 02.02.2022 and Process Document dated 08.04.2022. The auction was held on 16.06.2022, Respondent No. 2 was declared as successful bidder, and the LOI was issued on 21.06.2022. The sale was on an "as is where is, as is what is, as is how is, and no recourse" basis, with a stipulated dismantling period of one month. The Applicant repeatedly describes the Process Document as the "sacrosanct and inviolable governing instrument" and the "Grundnorm" of the auction process.

3. The main factual grievance is that Respondent No. 2 committed serial defaults in payment of the sale consideration. The LOI was cancelled on 20.09.2022 for non-payment within the stipulated

[1] Insolvency & Bankruptcy Code, 2016
[2] National Company Law Tribunal Rules, 2016
[3] LKPL was admitted into CIRP on 23.04.2019, and, upon non-receipt of any viable Resolution Plan, was ordered into liquidation vide order dated 16.04.2021.

90 days; IA No. 972 of 2022 seeking extension was dismissed on 12.10.2022, and the appeal was dismissed by the NCLAT on 28.11.2022. However, the SCC[4] later accepted Respondent No. 2's proposal, and by order dated 19.01.2023 in IA No. 66 of 2023 the bid was restored. Further extensions were granted, including by order dated 20.03.2023 in IA No. 381 of 2023 and by order dated 02.08.2023 in IA No. 1221 of 2023, after which Respondent No. 2 paid the complete consideration excluding GST only on 30.09.2023. The Applicant says that every consequence of default, including forfeiture and resale contemplated under the Process Document and LOI, was set aside to accommodate Respondent No. 2.

4. The Application further states that Respondent No. 2 thereafter sought directions for the Liquidator to act as exporter of record and to facilitate export of the Phase III assets outside India. This was sought in IA No. 1954 of 2024. The Tribunal, by order dated 14.02.2025, dismissed the said application and directed the Erstwhile Liquidator to proceed strictly in accordance with the Process Document dated 08.04.2022 and applicable law. The appeal filed by Respondent No. 2 before the NCLAT, being CA (AT) (Ins) No. 189 of 2025, was not pressed and was disposed of on 13.01.2026.

5. The Applicant alleges that despite the said rejection, the newly appointed Liquidator, Respondent No. 1, through the 47th and 48th SCC meetings dated 30.10.2025 and 24.11.2025, deliberated upon and resolved to facilitate export of the Phase III assets, thereby "effectively reviving what had been judicially refused." Respondent No. 2 also furnished an undertaking dated

[4] Stakeholders Consultation Committee

18.12.2025 and an affidavit dated 12.02.2026, agreeing to bear additional GST liability, reimburse recurring monthly costs, and bear the professional fees of the Liquidator for the extended period.

6. On 23.02.2026, the Liquidator filed IA No. 422 of 2026, seeking permission to facilitate export of the Phase III assets and extension of the liquidation period by 18 months from the date of issuance of the Sale Certificate. The Tribunal, by order dated 09.03.2026, directed issuance of the Sale Certificate "as per law". The Applicant's case is that the Tribunal did not grant the specific reliefs of export facilitation or extension of liquidation period. The Applicant alleges that the Liquidator misread and overreached the order dated 09.03.2026.

7. The central attack is on the Sale Certificate dated 26.03.2026. The Applicant alleges that Appendix-2 of the Sale Certificate incorporated "Special terms and Conditions" which did not form part of the Process Document dated 08.04.2022: *first*, a dismantling period of six months, as against the original one month; *second*, the Liquidator's undertaking to facilitate export of the Phase III assets; and *third*, Respondent No. 2's obligation to bear the Liquidator's professional fees for the extended period and reimburse recurring costs. The Applicant says that the introduction of these terms after the auction amounts to a fundamental and impermissible alteration of the auction terms vitiating the entire sale process.

8. The Application contends that the Liquidator's authority under the IBC and Liquidation Regulations is confined to sale of assets, and that upon issuance of the Sale Certificate, the Liquidator becomes functus officio in relation to the Phase III assets. It is

pleaded that there is no provision under Sections 35, 36 or 60 of the IBC or the Liquidation Regulations permitting the Liquidator to act post-sale as an exporter of record or commercial facilitator in the purchaser's export transaction. The Applicant states that "no SCC resolution can supply what the statute withholds."

9. A further ground is that the arrangement by which Respondent No. 2 bears the Liquidator's professional fees creates a direct pecuniary dependency of the Liquidator upon the purchaser. The Applicant describes this as a "structural conflict of interest" going to the root of the Liquidator's neutrality and fiduciary duties as an officer of the Tribunal. It is also alleged that the Liquidator's fees are regulated under Regulation 4 and Schedule II of the Liquidation Regulations, and cannot be privately borne by the purchaser outside the regulated framework and without approval of the Tribunal.

10. The Applicant also asserts that the bid of Respondent No. 2, as ultimately given effect through the Sale Certificate, is in substance a conditional and negotiated bid premised on conditions never forming part of the Process Document. According to the Applicant, had the conditions of export facilitation, extended dismantling period, and post-sale support by the Liquidator been publicly notified, the Applicant and other prospective bidders would have participated, potentially generating substantially higher realisations for the stakeholders of the Corporate Debtor.

11. The Application repeatedly alleges that the auction process has been systematically manipulated to accommodate the specific commercial requirements of Respondent No. 2, described as a serial defaulter, at the cost of transparency, fairness, level

playing field and value maximisation, which are stated to be the foundational objectives of the IBC. It is stated that allowing such a sale to stand would set a dangerous precedent where successful bidders can default and thereafter negotiate favourable terms with the Liquidator.

12. The Applicant states that the cause of action arose on issuance of the Sale Certificate dated 26.03.2026, because the illegal post-facto modification of the auction terms crystallised only then. The Applicant also refers to its emails dated 13.04.2026 and 20.04.2026 sent to the Liquidator seeking status of the Phase III asset sale and expressing interest in the assets, to which no response was received. It therefore claims locus standi under Section 60(5) IBC to challenge the impugned process.

13. The prayers in the Application are to set aside and quash the second round of e-auction dated 16.06.2022, the LOI dated 21.06.2022, the Sale Certificate dated 26.03.2026, and any other document creating rights in favour of Respondent No. 2 in respect of the Phase III assets; to direct the Liquidator to conduct a fresh e-auction for the Phase III assets in a time-bound, fair and transparent manner; and, by way of interim relief, to stay the operation and implementation of the Sale Certificate dated 26.03.2026 and restrain Respondent No. 2 from dismantling, removing, exporting or creating third-party rights in respect of the Phase III assets pending disposal of the Application.

Reply of Respondent No.1, the Liquidator

14. In his Reply, Respondent No.1 the Liquidator has characterised the Application as "wholly misconceived, non-maintainable, bereft of locus and liable to be rejected in limine", contending that the Applicant is not a participant in the liquidation process,

was not an applicant in any of the prior six e-auctions, and yet seeks to assail a concluded and regularised commercial arrangement by relying upon confidential records forming part of the liquidation process.

15. On locus, it is submitted that the Applicant has no locus whatsoever since it is neither a creditor whose claim has been admitted in liquidation nor a member of the Stakeholders Consultation Committee (SCC). It did not participate in any e-auction and was not a bidder for the Phase III Assets. The Reply invokes the principle that a person who chose not to participate in an auction cannot at a belated stage question the terms or outcome, save on narrowly pleaded grounds such as fraud of a demonstrably serious order, and says no such case is made out. The Applicant is described as a "fence sitter, a stranger to the process and a non-participant" attempting to unsettle rights accrued in favour of the successful auction purchaser.

16. The Liquidator has also objected to the Applicant's reliance on confidential and internal records, including the sale certificate issued to MCM, SCC minutes, and pleadings filed by the Liquidator including IA No. 422 of 2026. The Applicant was not a party to SCC meetings, had no participatory right in liquidation, and was not part of the internal deliberations. The Reply states that the Application is conspicuously silent on how such documents came into the Applicant's possession, and alleges that the Application appears to be nothing more than a proxy litigation instituted with malafide intent to reopen a concluded sale and hinder closure of the liquidation process, warranting dismissal with exemplary costs.

17. Alleging abuse of process, delay and laches, it is contended that the Applicant has failed to explain why it seeks to challenge only now the e-auction held in June 2022, and that the issuance of the sale certificate cannot furnish a fresh cause of action. The Reply says the Application is couched as a "public interest litigation" but fails to establish bona fides or any clear intent to participate if relief were granted. It further submits that the Applicant seeks to reopen and obstruct a long-pending liquidation sale by repackaging contentions contrary to the record and already traversed in prior proceedings.

18. The Reply places reliance on the earlier final order dated 18.03.2026 in IA (IBC) No. 332 of 2026, where a similar challenge by the Central Goods and Services Tax Department to the export/facilitation framework concerning the same Phase III Assets was dismissed. According to the Reply, this Tribunal had held that GST liability falls within the statutory framework under GST laws, and that subsequent facilitation of removal/export after deposit of GST amount and SCC approval did not amount to violation of the earlier order dated 14.02.2025. The Liquidator annexes that order as Annexure R-1.

19. On merits, the Liquidator denies that issuance of the sale certificate to MCM was in defiance of the order dated 09.03.2026 in IA 422 of 2026. He states that during pendency of appeals before the NCLAT, he was permitted by order dated 10.12.2025 to bring subsequent developments on record; thereafter he placed facts including deposit of GST amount by MCM and changed circumstances warranting facilitation of export. The 48^{th} SCC minutes contemplated issuance of the sale certificate once the matter was brought before the appropriate forum and

taken on record. The Tribunal, while adjudicating IA 422 of 2026, allowed the Liquidator to issue the sale certificate to MCM "as per law" by order dated 09.03.2026.

20. The Reply further submits that the Applicant misread the Process Document by projecting only a 30-day dismantling/removal period, while Clause XI (ii) permitted removal within 30 days from issuance of sale certificate "or such extended time as may be communicated by the Liquidator". The dismantling timeline, facilitation of export, GST undertakings, differential GST liability, reimbursement of recurring expenses, and MCM's obligation to bear extended professional fee/recurring costs are stated to be part of a subsequent SCC-backed completion framework, not hidden deviations. The Reply says the framework was practical, bona fide, stakeholder-approved, commercially rational, transparent, and designed to preserve the liquidation estate from avoidable depletion; it also records that the Liquidator had not received any money from MCM under that mechanism as of the Reply.

21. As regards the Applicant's specific criticism that MCM bearing/ reimbursing such costs for the extended period, the Liquidator submits that the said contention is misconceived and ignores the rationale recorded in the 48th SCC minutes. The said minutes record that MCM had agreed to meet the monthly recurring costs under various heads, including officials retained, internet, office maintenance, security, electricity, CCTV, travelling, water bills and other miscellaneous expenses, until the Phase III Assets were completely dismantled and removed from the site. The Liquidator further submits that this mechanism was to operate only after issuance of the sale certificate and consummation of

the sale process, and was consciously structured to ensure that the liquidation estate and the lenders were not burdened with incremental post-sale costs attributable to the purchaser's dismantling and removal timeline.

22. In his reply, the Liquidator has denied that this amounted to MCM "footing the bill" for the Liquidator in any improper sense. It characterises the arrangement as an 'estate-preservation' mechanism aligned with the liquidation objective of maximising recovery and preserving value for stakeholders. The Liquidator further submits that the Applicant's challenge is, in substance, an attack on the commercial wisdom of the SCC and on a framework consciously designed to protect the liquidation estate from avoidable depletion. The arrangement is described as commercially rational, transparent and wholly bona fide; the Liquidator also records that he has not received any money from MCM under this mechanism so far, and reserves liberty to file further affidavits, documents or submissions if required.

Reply of Respondent No.2, MCM Pte Ltd

23. Respondent No. 2, MCM also submits that the Application is "wholly misconceived, devoid of merit, and is liable to be dismissed". According to MCM the Application is not maintainable in the eye of law or on facts, and that the Applicant has no locus standi to challenge a concluded sale, particularly when the sale has been subject to judicial intervention and decisions of this Tribunal.

24. It is stated that Respondent No. 2 was the successful bidder for the Phase III assets in the e-auction conducted on 16.06.2022, the LOI was duly issued in its favour on 21.06.2022, and the Sale Certificate was thereafter issued on 26.03.2026. According

to MCM, this undisputed fact forms the genesis of its rights over the Phase III assets.

25. It is admitted by MCM that there were initial delays in payment of the sale consideration. However, it states that pursuant to communications between the then Liquidator and MCM, and with due approval of the CoC/SCC, MCM filed IA No. 66 of 2023 seeking restoration of the bid, which had earlier been cancelled for non-compliance with the stipulated payment schedule. The said IA was allowed by the Adjudicating Authority on 19.01.2023. Thereafter, MCM was granted extensions of time on various occasions for payment of the balance consideration, subject to payment of applicable interest.

26. According to MCM, it duly complied with the directions of the Adjudicating Authority and, by 30.09.2023, paid the entire sale consideration along with applicable interest, save and except the amount towards GST, which was later paid in June 2025. MCM submits that the orders granting restoration and extensions were passed after due consideration and deliberation of the facts, the record and the issues arising for determination, and having attained finality inter se the parties, cannot be questioned by a third party who is a complete stranger to the bid process, has neither participated therein nor acquired any legal right or interest thereunder.

27. MCM characterises the Applicant's allegation of "illegal deviation in the e-auction process" as vague, unsubstantiated, and an afterthought. It submits that the entire process, including extensions or modifications to payment terms, was undertaken with the knowledge and approval of the CoC/SCC and subsequently ratified by this Tribunal. It further contends that

the Sale Certificate dated 26.03.2026 unequivocally confirms completion of the sale of the Phase III assets, is a definitive act vesting title in the successful bidder, and brings finality to the auction process. A belated challenge without prior participation or objection is stated to be contrary to equity and good conscience.

28. MCM then refers to earlier proceedings, stating that IA No. 1954 of 2024 and IA No. 2414 of 2024, filed by MCM, and IA No. 2440 of 2024, filed by the erstwhile Liquidator, were adjudicated by order dated 14.02.2025. It records that IA No. 1954 of 2024, seeking a request for the Liquidator to act as exporter for the Phase III assets, was dismissed; IA No. 2414 of 2024 was rendered infructuous; and IA No. 2440 of 2024 was disposed of by directing the Liquidator to take necessary steps in accordance with the Process Document dated 08.04.2022. MCM describes this as having conclusively determined the rights and obligations of the parties in relation to export of the Phase III assets.

29. MCM further states that the erstwhile Liquidator and Respondent No. 2 challenged the order dated 14.02.2025 before the NCLAT in Company Appeal (AT) (CH) (INS) Nos. 189 and 203 of 2025. During the pendency of those appeals, Respondent No. 1 filed an additional affidavit stating that Respondent No. 2 had remitted the entire sale consideration along with applicable GST amount. In view of these subsequent developments, the NCLAT dismissed Company Appeal No. 189 of 2025 as not pressed, and consequently Company Appeal No. 203 of 2025 also stood dismissed, as the dispute concerning remittance of the sale consideration and GST no longer survived.

30. Lastly, MCM submits that the Applicant's emails dated 13.04.2026 and 20.04.2026 were sent after issuance of the Sale Certificate and therefore show that the Applicant's intervention is an attempt to interfere with a concluded transaction, not a timely or legitimate grievance. It also refers to disputes between RVAL[5] and MCM regarding rent and alleged misuse of Phase III assets, stating that such disputes are already sub judice and the Applicant has failed to show how it is concerned with or affected by them. MCM alleges that the Applicant's reliance on pleadings, orders and documents from those disputes, without disclosing their source, raises doubts about its bona fides and suggests a collateral attempt to reopen issues pending elsewhere. It submits that allowing belated challenges by non-participants would frustrate the IBC objectives of maximization of value of assets and timely resolution of insolvency, introduce uncertainty, and deter prospective bidders in future liquidation sales. The Reply accordingly prays that the Application be dismissed as devoid of merits, with costs.

Applicant's Rejoinders

31. In its Rejoinders, the Applicant has reiterated that the contents of the Application may be read as part and parcel of the Rejoinders, and has confined itself primarily to answering the preliminary objections raised by Respondent Nos. 1 and 2.

32. It is submitted that the objection as to locus is misconceived, since the Applicant's right to be heard does not depend upon its being an admitted creditor or member of the SCC, but arises from its status as a prospective bidder having genuine interest in the Phase III assets, as evidenced by its emails dated

[5] Radha Vasavi Assets LLP: Successful Bidder in the sale of the CD as a going concern

13.04.2026 and 20.04.2026. The Applicant further submits that the principle that a non-participant cannot challenge an auction applies only where the challenge is to the commercial outcome of a fair process, and not where the challenge is to the legality and integrity of the process itself.

33. The Applicant has also answered the objection regarding reliance on allegedly confidential documents. It submits that the Sale Certificate, SCC minutes and pleadings in IA No. 422 of 2026 are not private or secret documents, but are part of judicial/court record. According to the Applicant, no confidentiality attaches to documents filed in judicial proceedings, and the relevant documents were obtained after following due process of law by applying for certified copies. The allegations of proxy litigation, malafide intent, or that the Applicant is acting at the behest of others, are denied as bare assertions unsupported by material particulars.

34. As regards the Liquidator's reliance on the order dated 18.03.2026 in IA No. 332 of 2026, the Applicant submits that such reliance is misplaced, since the said IA concerned a wholly different subject matter, namely GST taxability and characterisation of the transaction as export or domestic supply. It is submitted that the said order was passed on narrow grounds and did not deal with the issues raised in the present Application, including whether the Sale Certificate was issued "as per law", whether the extended dismantling period was a material deviation, whether the Liquidator could act as exporter/facilitator, or whether MCM bearing the Liquidator's professional fee created a conflict of interest.

35. In answer to the Reply of Respondent No. 2, the Applicant submits that the said Reply is a general denial and nothing more, as it does not deal with the three specific problems raised in the Application, namely the six-month dismantling period in the Sale Certificate as against the one-month period in the Process Document, the Liquidator's promise to help export the Phase III assets, and the arrangement under which Respondent No. 2 pays the Liquidator's fee for the extended period. It is submitted that a denial in general terms, without dealing with these specific and dated facts, is not a real denial in law.

36. The Applicant further submits that the earlier orders relied upon by Respondent No. 2, including orders in IA Nos. 972/2022, 66/2023, 381/2023 and 1221/2023, do not settle the issues arising in the present Application. According to the Applicant, those orders dealt with restoration of the bid and extension of time for payment, and did not consider whether the conditions later added in Appendix-2 of the Sale Certificate dated 26.03.2026 were legal. It is further submitted that the NCLAT's disposal of Company Appeal No. 189 of 2025, upon Respondent No. 2 choosing not to press the appeal, was not a decision on merits and cannot bind the Applicant, who was not a party to the said appeal.

37. The Applicant also disputes Respondent No.2's contention that the Sale Certificate is a final and definitive act immune from challenge. It submits that a document cannot become immune merely because it declares itself final; if it contains conditions never sanctioned by this Tribunal and deviates from the Process Document dated 08.04.2022, such finality does not cure the alleged illegality. The Applicant further states that its emails

dated 13.04.2026 and 20.04.2026 were sent within weeks of the Sale Certificate, i.e. the very document under challenge, and therefore cannot be treated as belated.

38. The Applicant also submits that Respondent No. 2's reliance on value maximisation and timely resolution works against it, since its own repeated defaults, extensions and after-the-fact renegotiation of terms delayed the liquidation and led to the departures from the Process Document.

Written Submissions

39. The parties have also filed their respective written submissions. We have perused the same. The written submissions filed by the Applicant, the Liquidator/Respondent No. 1 and MCM/Respondent No. 2 are, in substance, a reiteration and consolidation of their pleadings, replies and rejoinders already noticed above, and therefore need not be reproduced separately. It is sufficient to note that the Liquidator and MCM have reiterated their objections on locus, delay and laches, want of bona fides, alleged unauthorised reliance on records, finality of the concluded sale, and absence of any fraud or material illegality. On merits, they have reiterated that the six-month dismantling/removal period falls within Clause XI(ii) of the Process Document, that the export-related facilitation and cost-bearing mechanism were part of an SCC-backed completion framework, and that no private fee arrangement or conflict of interest is involved.

40. The Applicant, on the other hand, has reiterated that the Sale Certificate dated 26.03.2026 is at variance with the Process Document dated 08.04.2022, the New Process Document dated 13.01.2023, the order dated 09.03.2026 in IA No. 422 of 2026,

and the order dated 14.02.2025 in IA No. 1954 of 2024. The Applicant has additionally relied upon the decision in *Orissa Alloy Steel Pvt. Ltd. v. S.M. Steels and Power Ltd*[6] to contend that the Process Document is the binding charter of sale and that prior permission cannot be substituted by ex post facto approval. These submissions are considered while dealing with the issues below.

Findings and Decision

41. We have heard the Ld. Counsels appearing for the Applicant, the Liquidator/Respondent No.1 and Respondent No.2/MCM, and have perused the pleadings and documents placed on record. The present Application seeks setting aside of the e-auction dated 16.06.2022, the LOI dated 21.06.2022 and the Sale Certificate dated 26.03.2026 issued in favour of MCM in respect of the Phase III Assets. The principal grievance of the Applicant is that Appendix-2 to the Sale Certificate introduced conditions which, according to the Applicant, were never part of the Process Document dated 08.04.2022, namely a six-month dismantling period, facilitation of export by the Liquidator, and MCM bearing the Liquidator's professional fee/recurring costs for the extended period.

42. On the basis of the pleadings, the following issues arise for consideration:

- Whether the Applicant has locus standi under Section 60(5) of the Code to maintain the present Application;

- Whether the challenge to the e-auction dated 16.06.2022 and LOI dated 21.06.2022 is barred by

[6] CA(AT)(Ins) No. 255-257 & 214-216 of 2025 dated 06.11.2025

delay, laches and finality of a concluded liquidation sale;

- Whether the Sale Certificate dated 26.03.2026 is liable to be set aside on the ground that Appendix-2 thereof contains stipulations relating to extended dismantling period, export facilitation and reimbursement / professional fee; and

- Whether any case of fraud, collusion, structural conflict or material illegality has been made out so as to warrant interference with the concluded sale.

Locus, delay and finality of concluded sale

43. The Applicant asserts that it is a prospective bidder having genuine interest in the Phase III Assets, and that its right to approach this Tribunal arose only upon issuance of the Sale Certificate dated 26.03.2026. The Applicant further submits that it is not challenging the commercial outcome of a fair process, but the legality and integrity of the process itself. Learned Counsel for the Applicant contended that, had the Applicant been aware of the changes allegedly made to the terms of sale after the auction, and beyond the scope of the Process Document, it would also have submitted a bid for the said Assets. It was further asserted that these changes favoured MCM to the detriment of other potential bidders. We have considered this submission.

44. Section 60(5) of the Code undoubtedly confers wide jurisdiction on this Tribunal in respect of questions arising out of or in relation to the insolvency resolution or liquidation proceedings of the Corporate Debtor. However, the width of the jurisdiction does not mean that every person who later expresses interest in an asset already sold in liquidation acquires an unrestricted right to reopen a concluded auction. The Applicant did not

participate in the e-auction held on 16.06.2022, did not submit any bid, did not deposit EMD, and did not challenge the auction process at the relevant time. It also did not place any material to show that it expressed interest or came forward when the LOI issued in favour of MCM stood cancelled and the assets were again available in the liquidation process. Its first recorded communication expressing interest is after issuance of the Sale Certificate dated 26.03.2026..

45. The reliefs sought in the present Application are not confined to any particular stipulation in the Sale Certificate. The Applicant seeks setting aside of the entire e-auction dated 16.06.2022, the LOI dated 21.06.2022, the Sale Certificate dated 26.03.2026 and all consequential rights created in favour of MCM. Thus, although the Applicant seeks to trace its cause of action to the Sale Certificate dated 26.03.2026, the substantive relief sought would unsettle an auction process in which MCM was declared the successful bidder in June 2022 and which thereafter became the subject matter of several orders passed by this Tribunal, culminating in the issuance of the Sale Certificate dated 26.03.2026.

46. The orders restoring the bid, extending time for payment and permitting completion of the sale consideration were passed in proceedings where the parties directly concerned were before the Tribunal. Those orders are not under challenge in the present Application. It is a settled principle[7] that a person who never participated in the auction **cannot**, merely by expressing "keen interest" after issuance of the Sale Certificate, seek to reopen the

[7] Valji Khimji and Co. v. Official Liquidator of Hindustan Nitro Product (Gujarat) Ltd., (2008) 9 SCC 299

entire auction and LOI, unless a case of fraud, collusion or material illegality of a serious nature is made out. The Applicant's plea that it and other prospective bidders would have participated had the later conditions been known remains speculative and is not supported by any contemporaneous material showing readiness, capacity (including to furnish the EMD), draft bid proposal or any other evidence of concrete participation in the auction process.

47. We therefore hold that, even assuming that the Applicant could bring to the notice of this Tribunal an alleged illegality in the liquidation process, the Applicant has not demonstrated the sufficient interest or contemporaneous engagement with the auction process that would entitle it to seek setting aside of the concluded e-auction, LOI and Sale Certificate at its instance. The Application is also hit by delay and laches insofar as it seeks to set aside the e-auction dated 16.06.2022 and LOI dated 21.06.2022.

48. Nevertheless, since the Applicant has raised allegations touching upon the Sale Certificate dated 26.03.2026, the Process Document dated 08.04.2022, and the conduct of the Liquidator in relation to the Phase III Assets, we deem it appropriate to examine the principal contentions on merits as well. This examination is without prejudice to our finding that the Applicant, being a non-participant in the e-auction process, has not established such locus as would entitle it to seek setting aside of the concluded e-auction, LOI and Sale Certificate. Even otherwise, for the reasons recorded hereinafter, we find no ground to interfere with the concluded sale.

Sale Certificate dated 26.03.2026 and effect of IA 781/866 order

49. The Applicant's principal attack is on Appendix-2 to the Sale Certificate[8] dated 26.03.2026. It is contended that the Sale Certificate was not issued "as per law" because it granted MCM a six-month dismantling/removal period, contemplated export facilitation by the Liquidator, and recorded that MCM would bear recurring costs and Liquidator's professional fee for the extended period, if applicable.

50. We may at this stage notice that the validity and operative effect of the Sale Certificate dated 26.03.2026, in the context of access and dismantling/removal of Phase III Assets, has already been examined by this Tribunal in the common order dated 17.07.2026 passed in IA Nos. 781 and 866 of 2026[9]. In the said order, this Tribunal considered the Process Document dated 08.04.2022, the Sale Certificate dated 26.03.2026, and the objection that six months' time for dismantling/removal was contrary to the Process Document. This Tribunal held that Clause XI (ii) of the Process Document[10] itself permitted removal within 30 days from issuance of Sale Certificate "**or such extended time as may be communicated by the Liquidator**", and therefore, for the purposes of access and dismantling, the grant of six months' time could not by itself render the Sale Certificate inoperative.

51. In the same order, this Tribunal further held that MCM, as successful auction purchaser and holder of the Sale Certificate dated 26.03.2026, has a subsisting right to access, protect, dismantle and remove the Phase-III Assets, and that such access

[8] Page 494 to 497 of the Application
[9] Filed by MCM and RAVL respectively
[10] Para 3.4 outlining 'Detailed steps in the Bid Process': Page 54 to 128 of the Application: @ Page 85

cannot be obstructed on account of pending monetary claims or other disputes. Directions were accordingly issued for inspection, submission of dismantling plan, unrestricted access and completion of dismantling/removal within six months from the date of first access for dismantling/removal.

52. The present Applicant was not a party to IA Nos. 781 and 866 of 2026. Nevertheless, the order in IA Nos. 781 and 866 of 2026 forms part of the same liquidation proceedings, concerns the same Phase III Assets, the same Sale Certificate dated 26.03.2026, the same Process Document dated 08.04.2022, and the same issue of dismantling/removal timeline. While we do not consider it appropriate to take a view inconsistent with the said order, even upon independent consideration also, we are unable to accept the Applicant's submission that the six-month period in the Sale Certificate is so alien to the Process Document that it vitiates the entire sale.

53. It is abundantly clear to us that Clause XI (ii) of the Process Document does not provide an inflexible outer limit of 30 days in all circumstances. It expressly contemplates removal within 30 days from the date of issuance of Sale Certificate, or such extended time as may be communicated by the Liquidator. Considering the nature of the Phase-III Assets, being large industrial plant and machinery, the grant of six months' time for dismantling/removal cannot, by itself, be characterised as a "fundamental alteration" of the auction framework. It is, rather, an extension of time communicated within the express contemplation of the Process Document itself.

54. The Applicant has also relied upon the Bid Process Document dated 13.01.2023. However, the said document pertained to the

subsequent auction for sale of the Corporate Debtor as a going concern, in which RVAL emerged as the successful bidder. The sale of the Phase-III Assets in favour of MCM arose from the earlier e-auction held on 16.06.2022 and was governed by the Process Document dated 08.04.2022. Therefore, the Bid Process Document dated 13.01.2023 cannot be read so as to retrospectively alter or defeat the terms governing the Phase-III Asset sale.

55. Even otherwise, the clause ostensibly relied upon by the Applicant does not assist its case. The said clause[11] also contemplates that the successful bidder shall complete taking possession and removal of the relevant assets from the premises of the Corporate Debtor within six months **from the date of issuance of the Certificate(s) of Sale to such Successful Bidder(s)**, or such extended time as may be communicated by the Liquidator. Thus, the trigger point under the said clause is not the date of declaration as successful bidder, nor the date of issuance of LOI, but the date of issuance of the Sale Certificate. In the present case, the Sale Certificate in favour of MCM in respect of the Phase-III Assets was issued only on 26.03.2026. Therefore, the six-month period recorded in the Sale Certificate cannot be said to be contrary even to the Bid Process Document dated 13.01.2023.

<u>Meaning of "as per law" in order dated 09.03.2026</u>

56. The Applicant has placed considerable emphasis on the expression "as per law" used in the order dated 09.03.2026 passed in IA No. 422 of 2026. According to the Applicant, the said expression meant that the Sale Certificate had to be issued

[11] Clause XI(2) of Bid Process Document Dated 13.01.2023: @Page 350 of the Application

strictly in conformity with the Process Document, the Code and the Liquidation Regulations, and that the Tribunal did not grant the specific reliefs of export facilitation or extension of liquidation period by 18 months.

57. We agree that the expression "as per law" in the order dated 09.03.2026 cannot be construed as a blank authorisation to the Liquidator to act outside the Code, the Liquidation Regulations, the Process Document or other applicable law. However, the said expression also cannot be read in isolation to invalidate every consequential stipulation incorporated in the Sale Certificate. What is required to be examined is whether the stipulations complained of are so alien to, or inconsistent with, the sale framework that they vitiate the concluded sale. For the reasons recorded herein, we find that they do not.

58. The order dated 09.03.2026 enabled issuance of the Sale Certificate in accordance with law. It did not adjudicate upon the present Applicant's grievance, because the present Applicant was not before the Tribunal at that stage. Equally, the order cannot be read to mean that every consequential step required for giving effect to the concluded sale was prohibited. The Sale Certificate must be tested against the Code, the Liquidation Regulations, the Process Document and the orders passed in the liquidation proceedings. Tested on that basis, we do not find that the six-month dismantling period renders the Sale Certificate void or liable to be set aside.

59. Relying upon *Orissa Alloy Steel*[12], the Applicant has invoked the principle that the Process Document is the foundational charter

[12] Orissa Alloy Steel Pvt. Ltd. v. S.M. Steels and Power Ltd: in CA(AT)(Ins) No. 255-257 & 214-216 of 2025 dated 06.11.2025

of the sale process and that prior permission cannot be substituted by ex post facto approval. There can be no quarrel with this proposition. However, in the present case, the extension of time for dismantling/removal does not rest upon any ex post facto rewriting of the Process Document, but flows from Clause XI(ii) of the Process Document itself, which expressly contemplates removal within the stipulated period **"or such extended time as may be communicated by the Liquidator."** Therefore, the six-month period recorded in the Sale Certificate cannot, by itself, be treated as a post-auction alteration of the sale framework. Further, as already clarified, neither the Sale Certificate nor this order can be read as authorising the Liquidator to act outside the Code, the Liquidation Regulations, the Process Document or any other applicable law.

<u>Export facilitation and functus officio objection</u>

60. The Applicant has contended that upon issuance of the Sale Certificate, the Liquidator became functus officio in relation to the Phase III Assets and could not act as exporter of record or commercial facilitator for MCM. There can be no dispute that the Liquidator cannot assume the statutory obligations of MCM or any other person under customs, GST, foreign trade or other applicable laws. Nor can the Liquidator act outside the Code or the Liquidation Regulations under cover of an SCC resolution.

61. However, the issuance of a Sale Certificate does not mean that the Liquidator is disabled from taking all consequential or ministerial steps required to give effect to the concluded sale. In a liquidation sale involving large and complex plant and machinery, the Liquidator may be required to coordinate access,

facilitate identification of assets, ensure compliance with sale documents, protect the liquidation estate from avoidable expenditure, and place necessary facts before statutory or judicial authorities. Such facilitation, if confined to implementation of the concluded sale and subject to compliance with applicable law, cannot by itself be equated with reopening or renegotiating the sale.

62. Ld. Counsel for the Applicant placed strong reliance upon an earlier order of this Tribunal dated 14.02.2025 passed in IA No. 1954 of 2024. In the said IA, MCM had sought a direction to the Liquidator to act as exporter for the Phase III Assets and to comply with export-related statutory formalities. This Tribunal rejected the said prayer, holding that the sale was conducted domestically and on an "*as-is-where-is*" basis; that the responsibility for taking possession and removal of the assets rested on the successful bidder; and that "*at no stage it was contemplated that the Liquidator would undertake export-related formalities or be required to facilitate regulatory compliance on behalf of the Applicant.*"

63. The said order, therefore, continues to govern the extent of the Liquidator's role. Accordingly, nothing in the Sale Certificate dated 26.03.2026 or in the SCC-backed completion framework can be read as reviving the relief which stood rejected in IA No. 1954 of 2024, or as authorising the Liquidator to act as exporter of record for MCM. At the same time, the said order does not render the concluded sale void, nor does it prohibit limited consequential coordination for removal of assets already sold, provided such coordination remains subject to the Code, the Liquidation Regulations, the Process Document, applicable

export/GST/customs laws, and the directions issued by this Tribunal in connected proceedings. Even if any administrative steps such as obtaining registration, code or documentation were undertaken for facilitating completion of the transaction, the same cannot be treated as authorising the Liquidator to assume MCM's statutory obligations as exporter of record, and all such acts shall remain subject to scrutiny by the competent statutory authorities in accordance with law.

Recurring costs and Liquidator's professional fee

64. The Applicant has further submitted that the stipulation requiring MCM to bear recurring costs and the Liquidator's professional fee for the extended period creates a direct pecuniary dependency upon the purchaser and constitutes a structural conflict of interest. The Liquidator's answer is that the arrangement is not a private fee arrangement, but an 'estate-preservation mechanism' designed to ensure that the liquidation estate and lenders are not burdened with incremental post-sale costs attributable to the purchaser's dismantling/removal timeline. In this regard, MCM's Undertaking[13] dated 18.12.2025 is also relevant, where it is recorded that MCM agreed to bear and reimburse the monthly recurring costs on actuals and on a monthly reimbursement basis, under specified heads, until the Phase-III Assets are completely dismantled and removed from the site.

65. The said Undertaking also records that MCM agreed to bear the expenses of an Export Consultant for advising and guiding the Liquidator in relation to export-related formalities, and further agreed to bear the Liquidator's professional fees along with

[13] Page 512 of IA 422 of 2026

applicable taxes, subject to the approval of this Tribunal. Thus, even on the terms of the Undertaking itself, the Liquidator's professional fee is not a matter of private arrangement between MCM and the Liquidator, but remains subject to approval and scrutiny under the Code, the Liquidation Regulations, including Regulation 4 and the applicable fee framework, SCC deliberations where relevant, and the supervisory jurisdiction of this Tribunal. We therefore clarify that no direct private payment of professional fee by MCM to the Liquidator, dehors the statutory and regulatory framework, is being approved by this order.

66. At the same time, the mere recording that MCM would bear recurring costs, and Liquidator's professional fee for the extended period, if applicable, does not by itself vitiate the Sale Certificate or the concluded sale. Such stipulation can only be read as requiring MCM to bear or reimburse post-sale site-supervision, security, preservation, coordination, recurring or liquidation-related expenses attributable to the time taken by MCM for dismantling and removal, and only in accordance with law. So read, the stipulation is aligned with the object of preserving the liquidation estate from further depletion and cannot be treated as a ground to annul the sale.

<u>IA 332 of 2026, confidential documents and allegations of proxy litigation</u>

67. The Liquidator has relied upon the order dated 18.03.2026 passed in IA No. 332 of 2026. The Applicant has submitted that the said IA concerned GST taxability and characterisation of the transaction as export or domestic supply, and did not decide the issues now raised. We do not treat the order in IA No. 332 of

2026 as conclusive of all issues in the present Application. The present Application is being decided independently on its own pleadings, the Process Document, the Sale Certificate and the orders passed in the connected proceedings.

68. The Respondents have also objected to the Applicant's reliance on Sale Certificate, SCC minutes and pleadings in IA No. 422 of 2026, alleging that the Applicant has relied upon confidential records and that the Application is proxy litigation. They have also relied upon Rules 114 and 117 of the NCLT Rules, 2016, to contend that a non-party cannot claim access to records or copies as a matter of right without following due process. The Applicant has answered that the documents relied upon are court/judicial records obtained through due process. Since we have considered the Application on merits and are dismissing it for the reasons recorded herein, it is not necessary to give any conclusive finding on the manner in which the Applicant obtained such documents. Equally, in the absence of specific material particulars, we do not rest our decision on the allegation of proxy litigation.

<u>Fraud, collusion and level playing field</u>

69. The Applicant has used expressions such as manipulation, illegal accommodation of a serial defaulter, structural conflict, and destruction of level playing field. These are serious allegations. However, apart from relying upon the terms of the Sale Certificate, SCC minutes and the subsequent completion framework, the Applicant has not placed independent material to establish fraud, collusion or mala fides of such nature as would justify setting aside a concluded liquidation sale at the instance of a non-participant. Upon consideration of the Sale

Certificate, SCC minutes, subsequent completion framework, Process Document and the orders passed in connected proceedings, we find no material establishing fraud, collusion or mala fides of such nature as would justify setting aside the concluded sale.

70. The contention that the Applicant and other prospective bidders would have participated had the extended dismantling period, export facilitation and cost reimbursement mechanism been notified earlier remains hypothetical. As noted in the preceding paras, no material has been placed to show that the Applicant took any contemporaneous steps to participate in the 2022 auction, or that it was ready and willing to submit a bid on terms more beneficial to the liquidation estate. A subsequent expression of interest after issuance of the Sale Certificate cannot be elevated into a right to seek annulment of a concluded auction.

71. The object of liquidation is maximisation of value, but it is also necessary to preserve certainty and finality in liquidation sales. If concluded auction sales are reopened at the instance of non-participants on speculative assertions of possible higher value, without proof of fraud or material illegality, the liquidation process itself would become uncertain and susceptible to endless challenges. Such an approach would deter bidders and defeat the objective of time-bound liquidation.

<u>Conclusion</u>

72. In view of the foregoing discussion, we hold that the Applicant has not made out any case for setting aside the e-auction dated 16.06.2022, the LOI dated 21.06.2022 or the Sale Certificate dated 26.03.2026. The six-month dismantling/removal period

cannot, in view of Clause XI(ii) of the Process Document dated 08.04.2022, and even on a reading of the clause relied upon from the Bid Process Document dated 13.01.2023, be treated as a fundamental deviation vitiating the sale. The facilitation and reimbursement stipulations in the Sale Certificate shall operate only subject to the Code, the Liquidation Regulations, the applicable Process Document, applicable law and the supervisory jurisdiction of this Tribunal.

73. The prayer for setting aside the e-auction dated 16.06.2022, the LOI dated 21.06.2022 and the Sale Certificate dated 26.03.2026 is rejected. The prayer for a fresh e-auction and interim restraint against Respondent No. 2 from dismantling, removing or exporting the Phase III Assets is also rejected.

Costs

74. We also consider this an appropriate case for imposing costs. The Applicant admittedly did not participate in the e-auction held on 16.06.2022, did not submit any bid or EMD, and approached this Tribunal only after issuance of the Sale Certificate dated 26.03.2026. Yet, it seeks to set aside the entire e-auction, LOI and concluded sale in favour of Respondent No.2.

75. We are not giving any conclusive finding on proxy litigation. However, the Application substantially overlaps with issues already agitated between RVAL/LKPL and MCM regarding the Phase-III Assets, which are situated within the premises now under LKPL/RVAL's control. The Applicant has made serious allegations of fraud, manipulation, structural conflict and destruction of level playing field, but apart from relying upon the Sale Certificate, SCC minutes and subsequent completion framework, has placed no independent material to justify

reopening a concluded liquidation sale. The present Application, though filed by a third party claiming to be a prospective bidder, substantially travels over the same field and, if entertained, would have the effect of reopening a concluded sale and obstructing implementation of rights already recognised in favour of MCM.

76. Not only the challenge is belated and speculative, it has unnecessarily burdened the liquidation process and the parties. Accordingly, IA No. 819 of 2026 is dismissed with costs of Rs 10,00,000 (Rupees Ten Lakhs), payable by the Applicant into the Prime Minister's Relief Fund within two weeks from the date of this order.

Accordingly, IA No. 819 of 2026 is dismissed with costs of Rs 10,00,000 (Rupees Ten Lakhs) payable by the Applicant into the Prime Minister's Relief Fund within two weeks from the date of this order.

Sd/-
(SANJAY PURI)
MEMBER (TECHNICAL)

Sd/-
(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

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