

Restructuring & Insolvency

Monthly Newsletter

March 2021

TABLE OF CONTENTS

STATUTORY UPDATES

- IBBI Circular dated February 02, 2021 pertaining to providing copy of Application to the Board, as mandated under Rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019

RECENT JUDGMENTS

- Phoenix Arc Pvt Ltd v. Spade Financial Services Ltd & Ors
- Suri Rajendra Rolling Mills v. Bengani Udyog Pvt Ltd
- Ramesh Kymal v. Siemens Gamesa Renewable Power Pvt Ltd
- Union Bank of India v. Siripuram Developers Pvt Ltd & Ors
- Bharat Aluminum Co Ltd v. J.P Engineers Pvt Ltd & Anr

RECENT DEALS

- Resolution of Sungracia Tiles Pvt Ltd
- NCLT, Allahabad Bench gives nod to Resolution Plan submitted by Genus Paper and Board Ltd for resolution of N.S Papers Ltd

COMPANIES ADMITTED TO INSOLVENCY IN JAN 2021



STATUTORY UPDATES

IBBI Circular dated February 02, 2021 pertaining to providing copy of Application to the Board, as mandated under Rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019

- The Insolvency and Bankruptcy Board of India (IBBI) in exercise of the powers under clause (k) of sub-section (1) of Section 196 of the Insolvency and Bankruptcy Code, 2016 (IBC), has under Rule 9 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 made it mandatory for the Applicant to provide a copy of the Application filed under sub-Section (1) of Section 94 or sub-Section (1) of Section 95 of the IBC for initiation for Insolvency Resolution Process of a personal guarantor to a Corporate Debtor, inter alia, to the IBBI for its record.
- This amendment has been brought in furtherance to the current Rule 9 that provides a period of three days to the Applicant to provide the copy of Application to IBBI and the Resolution Professional after his appointment under Section 97(5) of the IBC.



RECENT JUDGMENTS

Phoenix Arc Pvt Ltd v. Spade Financial Services Ltd & Ors.

Judgment dated February 01, 2021 [Civil Appeal No. 2842 of 2020 with Civil Appeal No. 3063 of 2020]

Background facts

- An Application for initiation of Corporate Insolvency Resolution Process (**CIRP**) of AKME Projects Ltd (**AKME**), the Corporate Debtor, was filed under Section 9 of the IBC by Mr. Hari Krishan Sharma, the Operational Creditor. The NCLT, New Delhi Bench- III vide order dated April 18, 2018 (**Admission Order**) admitted the Application and passed an order to initiate the CIRP of AKME.
- During the CIRP of AKME, the appointed Insolvency Resolution Professional (**IRP**) invited the claims of the various lenders of the Corporate Debtor. Along with the other creditors, Spade Financial Services Pvt Ltd (**Spade**) and AAA Landmark Pvt Ltd (**AAA**) also submitted their claims. Thereafter, the Committee of Creditors (**CoC**) was constituted on May 22, 2018.
- On May 25, 2018, the IRP rejected the claim of Spade, which was filed inter alia, on the ground that the claim was not in the nature of a Financial Debt in terms of Section 5(8) of IBC since there was an absence of consideration for the time value of money. The IRP also rejected the claim of AAA on the ground that its claim as a Financial Creditor in Form C was filed after the expiry of the period for filing such a claim.
- Aggrieved by the rejection of their claims by the IRP, Spade and AAA filed Applications before the NCLT to be included in the CoC, the NCLT vide order dated May 30, 2018 (**Inclusion Order**) allowed these Applications and ordered for inclusion of Spade and AAA as members of CoC of AKME.
- Thereafter, Phoenix ARC Pvt Ltd (**Phoenix**) and YES Bank Ltd filed Applications before the NCLT under Section 60(5) of the IBC against the Inclusion Order. The NCLT vide judgment dated July 19, 2019 (**Impugned Order**) formulated upon the issues raised in these Applications and held that the nature of transaction of AKME with Spade and AAA respectively was collusive in nature and do not qualify as Financial Debt for the purpose of IBC. Therefore, as per first proviso to Section 21(2) of the IBC Spade and AAA could not be included in the CoC of AKME.
- Pursuant to the Impugned Order, Spade and AAA filed Appeals before the NCLAT against such order of the NCLT. The NCLAT vide judgment dated January 27, 2020 dismissed the Appeals preferred under Section 61 of the IBC and upheld the Impugned Order of the NCLT.
- Consequently, Spade and AAA filed an Appeal before the Supreme Court (**SC**) against the NCLAT judgment upholding the Impugned Order of NCLT. Further, an Appeal was also filed by Phoenix on a limited issue of NCLAT judgment recognizing Spade and AAA as Financial Creditors of AKME.

Issue at hand?

- Whether a Related Party of the Corporate Debtor be the Financial Creditor of such Corporate Debtor? And can a Related party to the Corporate Debtor form part of the CoC of the Corporate Debtor, if the nature of transaction is 'collusive'?

Decision of the Court

- SC allowed the Appeal preferred by Phoenix and observed that due to the collusive nature of transaction of AKME with Spade and AAA respectively, the Respondents could not be labelled as Financial Creditors in terms of Section 5(7) of the IBC. In furtherance to this, SC also upheld the decision of NCLAT and NCLT to exclude Spade and AAA from the CoC of the Corporate Debtor.
- While arriving at this decision, with regard to the issue of recognizing Spade and AAA as Financial creditors as per Section 5(7) of the IBC, the Supreme Court referred to decision of *Swiss Ribbons Pvt Ltd v. Union of India*¹ and *Pioneer Urban Land and Infrastructure Ltd vs. Union of India*², wherein the contours of a Financial Creditor and Financial Debt read with the provisions of IBC have been determined.
- SC also discussed the rationale of the first proviso of Section 21(2) of the IBC in order to determine the aim of the CoC of a Corporate Debtor.
- Further, SC deliberated upon the factual circumstances of the matter in the light of Section 5(24), 45(2) and 49 of the IBC in order to determine if the nature of transactions between the Corporate Debtor and the Respondents was 'collusive' in nature.
- Finally, after observing the facts along with the provisions of the IBC, the Supreme Court concluded that the IBC has made provisions for identifying, annulling or disregarding "avoidable transactions" which distressed companies may have undertaken to hamper recovery of creditors in the event of the initiation of CIRP. It recognizes that for the success of an insolvency regime, the real nature of the transactions has to be unearthed in order to prevent any person from taking undue benefit of its provisions to the detriment of the rights of legitimate creditors. Further, the definition ensures that those entities which are related to the corporate debtor can be identified clearly, since their presence can often negatively affect the insolvency process.
- With regard to the aim of the CoC comprehended with Section 21(2) of the IBC, it was observed that the aim of the CoC is to enable coordination between various creditors so as to ensure that the interests of all stakeholders are balanced, and the value of the assets of the entity in financial distress is maximized. Further, the objects and purposes of the IBC are best served when the CIRP is driven by external creditors, so as ensure that the CoC is not sabotaged by related parties of the Corporate Debtor. The exclusion under the first proviso to Section 21(2) is related not to the debt itself but to the relationship existing between a related party Financial Creditor and the Corporate Debtor. While the default rule under the first proviso to section 21(2) is that only those Financial Creditors that are related parties in praesenti would be debarred from the CoC, those related party Financial Creditors that cease to be related parties in order to circumvent the exclusion under the first proviso to Section 21(2), should also be considered as being covered by the exclusion thereunder.
- Therefore, it could be stated that where a Financial Creditor seeks a position on the CoC on the basis of a debt which was created when it was a related party of the corporate debtor, the exclusion which is created by the first proviso to Section 21(2) must apply.

Our viewpoint

This decision is a progressive step towards achieving the objectives of the IBC. It sets an additional degree of check to ensure that the Committee of Creditors is able to achieve the aim of resolution of Corporate Debtor while maximizing the value and is not sabotaged by the Corporate Debtor or its related parties by trying to gain a backdoor entry into the Committee of Creditors via entering into collusive transactions.

¹ (2019) 4 SCC 17

² (2019) 8 SCC 416

Suri Rajendra Rolling Mills v. Bengani Udyog Pvt Ltd

Order dated February 11, 2021 [Company Appeal (AT) (Insolvency) No. 334 of 2020]

Background facts

- Suri Rajendra Rolling Mills, the Operational Creditor (**Appellant**), had issued a notice under Section 8 of the IBC to Bengani Udyog Pvt Ltd, the Corporate Debtor, on April 04, 2018 to claim the amount due from the Corporate Debtor. In response to the same, the Corporate Debtor sent a reply raising various pre-existing disputes.
- Pursuant to this, the Appellant filed a Company Petition under Section 9 of the IBC against the Corporate Debtor claiming the Operational Dues, however, this Application was later withdrawn by the Appellant on September 04, 2019 on the grounds that the Corporate Debtor had given instructions to withdraw such Application in order to settle the claim.
- Thereafter, the Appellant sent another Demand Notice dated January 25, 2019 under Section 8 of the IBC to the Corporate Debtor and subsequently filed a fresh Application under Section 9 of the IBC before the NCLT to claim the dues, however, the same was rejected and not admitted by the NCLT vide order dated January 06, 2020 (**Impugned Order**) on the grounds that similar Application was filed by the same Operational Creditor previously and thereafter was withdrawn.
- Aggrieved by Impugned Order by the NCLT, The Appellant filed an Appeal before the NCLAT. The Counsel for the Appellant contested that as a fresh notice under Section 8 of IBC was given and thus there was a fresh cause of action.

Issue at hand?

- Can a fresh Application under Section 9 of the IBC be filed by the Operational Creditor for same cause of action which was permitted to withdraw without liberty to file a fresh Application?

Decision of the Tribunal

- The NCLAT dismissed the present Appeal and observed that both the Applications filed by the Appellant referred to the same amount and similar facts. Further, NCLAT also took note of the disputes raised by the Corporate Debtor in reply to the Demand Notice sent by the Appellant and held that as the Notices on record shows various pre-existing between parties, therefore, as per Section 9(5)(ii) of the IBC the Application by the Appellant was bound to be rejected.

Our viewpoint

This decision of NCLAT would be a blessing for various Corporate Debtors who are dragged into futile insolvency proceedings disguised as recovery proceedings without any substantial cause of action by the Operational Creditors.

Ramesh Kymal v. Siemens Gamesa Renewable Power Pvt Ltd

Judgment dated February 09, 2021 Civil Appeal No. 4050 of 2020

Background facts

- An Application under Section 9 of IBC was filed by Mr. Ramesh Kymal (**Appellant**), the Operational Creditor, against Siemens Gamesa Renewable Power Pvt Ltd (**SGRP**), the Corporate Debtor, on May 11, 2020, before NCLT, Chennai for a default occurring on April 30, 2020. Vide order dated July 09, 2020, the NCLT took note of newly inserted Section 10A of IBC and declined to admit the Application and held that there was a bar created by Section 10A coming into force. Aggrieved by this, the Appellant preferred an Appeal before NCLAT.
- The NCLAT vide judgment dated October 19, 2020 upheld the decision of the NCLT and dismissed the Appeal. The NCLAT was of the view that the bar on initiation cannot operate in respect of Applications filed for initiation of CIRP by the eligible applicant in respect of default committed before March 25, 2020, even if such Application has been filed after March 25, 2020, but before enforcement Ordinance on June 05, 2020. However, as the Appellant herein had filed for a default that was beyond the cut-off date i.e. March 25, 2020, therefore the bar imposed under Section 10A was attracted.

- Thereafter, aggrieved by the decision of the NCLAT, the Appellant approached the Supreme Court via the present Appeal. Distinguishing the 'initiation date' as provided under Section 5(11) and 'commencement date' under Section 5(12) of IBC, the Appellant contended that Section 10A bars filing of an Application on or after June 05, 2020, for defaults occurring during the relevant period i.e. on or after March 25, 2020, as mentioned in Section 10A. It does not prohibit initiation of CIRP of Applications that were already filed and pending before promulgation of Ordinance.
- Per contra, the SGRP while determining intent of legislature to insert Section 10A with regard to the economic distress caused due to the outbreak of global pandemic, submitted that Section 10A is prefaced with a non-obstante clause which overrides Sections 7, 9 and 10; and the bar would apply to all insolvency Applications which have been initiated for defaults occurring post March 25, 2020, regardless of whether such Application already had been filed or not before the insertion of Section 10 A i.e. June 05, 2020.

Issue at hand?

- Whether Section 10A would stand attracted to a situation where the Application under Section 9 was filed prior to 5 June 2020, when Section 10A was inserted, and in respect of a default which has taken place after 25 March 2020?

Decision of the Court

- Referring to the Principles of Interpretation of Statutes and the concept of purposive interpretation to determine the Application of newly inserted Section 10A of the IBC, SC observed that the language of the provision is not always decisive to arrive at a determination whether the provision is applicable prospectively or retrospectively. Therefore, the real issue in each case is as to the dominant intention of the Legislature to be gathered from the language used, the object indicated, the nature of rights affected, and the circumstances under which the statute is passed.
- Thereafter, SC applied the above interpretation to elaborate upon the applicability of Section 10A of the IBC and observed that the financial distress caused by the outbreak of Covid-19 provides the backdrop to the insertion of Section 10A.
- Section 10A is prefaced with a non-obstante provision which has the effect of overriding Sections 7, 9 and 10 of the IBC, thereby places an embargo on the filing of an Application for initiation of CIRP of a Corporate Debtor for any default arising on or after March 25, 2020, for a period of six months or such further period as may be notified by the Government, but not exceeding one year from such date. Furthermore, the proviso to the main provision creates an additional bar qua a default that may occur during the specified period.
- Lastly, it was concluded that the expression 'from such date' is evidently intended to refer to March 25, 2020 so that for a period of six months (extendable to one year by notification) no Application for the initiation of the CIRP can be filed, however, it must be noted that the retrospective bar on the filing of Applications for the commencement of CIRP during the stipulated period does not extinguish the debt owed by the corporate debtor or the right of creditors to recover it.

Our viewpoint

This is a significant judgment as it clarifies the application of Section 10A, which was recently inserted to provide a respite to businesses from the impact of Covid-19 pandemic. The legislature introduced the Section 10A to provide blanket protection to all businesses that were impacted during the lockdown. However, this protection was not intended for businesses that were seeking to avoid liability by resorting to the embargo created under Section 10A of the IBC. Thus, constructive steps should now be taken by government limit the extent of such protection provided, especially when public money is involved.

Union Bank of India v. Siripuram Developers Pvt Ltd & Ors

Judgment dated February 25, 2021 in Company Appeal (AT) (Insolvency) No. 890 of 2020

Background facts

- Union Bank of India (**UBI/Appellant**), advanced Financial Debt in favor of IVRCL Ltd (**IVRCL**), the Corporate Debtor, against the corporate guarantee extended by Siripuram Developers Pvt Ltd, Tirumani Developers Pvt Ltd, IVR PUDL Resorts & Clubs Pvt Ltd and IVR Prime Developers (Tuni) Pvt

Ltd (**collectively referred as Respondents**), the Subsidiaries of Corporate Debtor, via Deed of Guarantees Agreements. In addition to the same, the Respondents had created equitable mortgaged by depositing the title deeds over the assets exclusively charged to UBI in the form of 'Exclusive Security', executed exclusively in favor of UBI.

- State Bank of India filed an Application before the NCLT under section 7 of the IBC to initiate CIRP against the IVRCL. The NCLT vide order dated February 23, 2018 admitted the Application, however, as no successful Resolution Plan was approved by CoC, the NCLT passed an order of liquidation under Section 33 of the IBC on July 26, 2019.
- During the course of Liquidation proceedings, UBI initiated subsequent proceedings under The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (**SARFAESI Act**) in respect of the securities created by the Respondents, whereby Demand Notice dated December 18, 2019 and Possession Notice dated March 11, 2020 were issued by in accordance with the provisions of SARFAESI Act and Security Interest (Enforcement) Rules, 2002.
- The Respondents in response to the notices issued by UBI filed an Application before the NCLT to set aside the Possession Notice and stay on any coercive actions with regard to the 'Exclusive Securities' executed by the Respondents in favor of UBI, as these assets.
- The NCLT vide order dated August 20, 2020 (**Impugned Order**) directed to Appellant to not take any coercive actions with regard to the properties mortgaged till the Completion of the Liquidation proceedings. Aggrieved by the Impugned Order of the NCLT, UBI filed an Appeal before the NCLAT.

Issue at hand?

- Can subsequent proceedings under SARFAESI Act be initiated against the Subsidiaries of Corporate Debtor which is undergoing Liquidation?

Decision of the Court

- The NCLAT allowed the present Appeal and set aside the order of the NCLT. This decision of the NCLAT was derived after referring to the minutes of the meetings of CoC of IVRCL wherein it was mentioned that the assets of the Subsidiaries of the Corporate Debtor shall not form part of the Liquidation Estate. Further, even Section 36(4)(d) of the IBC prohibits the inclusion of the assets of Indian or Foreign Subsidiary of a Corporate Debtor in the Liquidation Estate, therefore, the Exclusive Security given by the Respondents could not be included in the Liquidation Estate. In view of the above, there was no bar upon UBI to not initiate the proceedings under SARFAESI Act against the assets of the subsidiaries of the Corporate Debtor.

Our viewpoint

The judgement is of considerable relevance as it reaffirms the position that the protection provided under Section 14 would not be extended to any party except the Corporate Debtor and its assets.

Bharat Aluminum Co Ltd v. J.P Engineers Pvt Ltd & Anr

Judgment dated February 26, 2021 (COMPANY APPEAL (AT)(INSOLVENCY) NO.759 OF 2020)

Background facts

- Bharat Aluminium Co Ltd (**Appellant**), had entered into an Agreement with J.P Engineers Pvt. Ltd., the Corporate Debtor, for Sale and Purchase of Aluminium Products. For ensuring the payments the Corporate Debtor issued a bank guarantee executed by Andhra Bank (**Respondent Bank**).
- Thereafter, an Application for initiation of insolvency proceedings against the Corporate Debtor was filed by Worldwide Metals Pvt Ltd (**Operational Creditor**). The NCLT vide order dated February 26, 2020 admitted the Application and imposed a moratorium under Section 14 of the IBC upon the Corporate Debtor.
- During the course of the CIRP of the Corporate Debtor the Appellant attempted to encash the bank guarantee issued in order to recover the amount that the Corporate Debtor had failed to pay. However, the Respondent Bank refused to honor the invocation of the Bank Guarantee on the ground of enforcement of moratorium under Section 14 (1) of the IBC.
- Subsequently, an Application under Section 60(5) was filed by the Appellant before the NCLT seeking directions to encash the aforesaid Bank Guarantee as the same was not covered by the Moratorium.

Thereby, a separate Application was filed by the Respondent Bank before the NCLT stating that a direction should be issued to the Appellant to not invoke the Bank Guarantee.

- The NCLT vide common order dated July 31, 2020 (**Impugned Order**) stated that the bank guarantee does not fall within the purview of the proviso to Section 3(31) of the IBC because a bank guarantee cannot be described as performance bank guarantee. The bank guarantee falls within the purview of the definition of 'security interest' as defined under section 3(31) of the IBC. Therefore, during the moratorium the bank guarantee cannot be invoked as the same may be prohibited under Section 14(1) (c) of the IBC. Thus, the Appellant cannot demand the release of bank guarantee amount from the Respondent Bank.
- Aggrieved by the Impugned Order, the Appellant approach the NCLAT via the present Appeal.

Issue at hand?

- Whether the financial bank guarantee can be invoked after issuance of moratorium under Section 14 of the IBC?

Decision of the Tribunal

- The NCLAT in the instant case scrutinized every argument contested by the counsels of both the parties along with reasoning of the NCLT in passing the Impugned Order and thereafter referred to Sub Section 3 of Section 14 of the IBC substituted by the Insolvency and Bankruptcy Code (second Amendment) Act in order to recognize the extent of Application of the moratorium with respect to the invocation of Financial Bank Guarantee.
- In this context, reference was made to the decision of the SC in the matter of *SBI v. V Ramakrishnan & Ors*³, wherein it was held that Section 14 of the IBC refers only to debts due by Corporate Debtors, who are limited liability companies, and the object of the IBC is not allow the personal guarantors who attempt to escape from an independent and co-extensive liability to pay off the entire outstanding debt. Therefore, Section 14 of the IBC is not applied to the Personal Guarantors.
- Further, the NCLAT also took a note of Section 128 of the Contract Act, 1872 wherein the liability of surety is coextensive with that of principal debtor and the creditor may go against either principal debtor or surety or both in no particular sequence.
- With the aforesaid, the NCLAT allowed the Appeal and concluded that the assets of the surety are separate from those of the Corporate Debtor, and proceedings against the Corporate Debtor may not be seriously impacted by the actions against assets of third party like surety. Therefore, the Bank guarantee can be invoked even during moratorium period issued under Section 14 of the IBC in view of the amended provision under Section 14 (3)(b) of the IBC.

Our viewpoint

In our opinion, this judgment makes it crystal clear that the Guarantor of a Principal Borrower cannot avoid their liability to make the payment when it is endowed upon them by seeking shelter under the moratorium imposed on the Corporate Debtor/Principal Borrower. This judgment is a ray of light to many creditors who were unable to reclaim their debt via encashing the Bank Guarantee as the same was presumed to be a part of the assets of the Corporate Debtor that is undergoing the CIRP.

³ (2018) 17 SCC 394



RECENT DEALS

Resolution of Sungracia Tiles Pvt Ltd

- The NCLT, Ahmedabad Bench, vide an order dated February 23, 2021 approved the Resolution Plan submitted by Sepal Tiles Pvt Ltd (**STPL**), the Successful Resolution Applicant, in the CIRP of Sungracia Tiles Pvt Ltd, the Corporate Debtor.
- Vide order dated December 04, 2019, the NCLT, Ahmedabad Bench admitted the Company Petition filed by the Operational Creditor, i.e., Durst (India) Private Limited under Section 9 of the IBC and ordered for initiation of the CIRP of Sungracia Tiles Private Limited.
- The Resolution Professional issued Form-G inviting EoIs from Prospective Resolution Applicants. Pursuant to the public announcement, EoIs were received from 3 Prospective Resolution Applicants. Thereafter, Resolution Plans were received from STPL, Sepal Ceramic and Sonata Ceramic Private Limited, however, after numerous revisions of the Resolution Plan, the Committee of Creditors (CoC) in its 6th meeting held on September 10, 2020, after detailed discussions, approved the revised Resolution Plan submitted by STPL by 89.68% voting share.
- A perusal of the Resolution Plan shows that the term of the plan is distributed over a period of 45 days from the date of approval by the NCLT. The Resolution Plan by STPL provides for a total payment of INR 12.01 Crore against an admitted debt of INR 22.87 Crore.
- The NCLT while approving this plan stated that waivers and concessions with regard to the claims of the Creditors and other stakeholders shall be waived off considering that the same have been dealt with during the CIRP of the Corporate Debtor and have been approved by the majority of the CoC. However, any concessions or waivers claimed by STPL regarding any statutory dues or penalty shall only be granted after STPL has approached the competent authority of Government/Semi Government/ central or Local Authority for such relief/claim or waiver.

NCLT, Allahabad Bench gives nod to Resolution Plan submitted by Genus Paper and Board Ltd for resolution of N.S Papers Ltd

- Mr Pankaj Mahajan, the Resolution Professional of N.S Papers Ltd, the Corporate Debtor, placed the approved Resolution Plan of Genus Paper & Board Ltd, the Successful Resolution Applicant, before the NCLT, Allahabad for approval under Section 30(6) and Section 31(1) of the IBC.
- The CIRP of N.S Papers Ltd was initiated pursuant to the admission order dated July 09, 2019 by NCLT, Allahabad bench. Subsequently, a public announcement for the collation of claims in terms of Regulation 6(1) of the CIRP Regulations was made and the CoC of the Corporate Debtor was constituted.
- The Appointed Resolution Professional published the Form G inviting the EoI wherein the criteria was net worth of INR 15 Crores/turnover 100 crores/Positive PAT in the three Financial Years. In response to the same, only one Applicant emerged as eligible Resolution Applicant namely, Genus Papers and Boards Ltd. In the 15th meeting of the CoC held on August 08, 2020, the Plan submitted by Genus Papers and Board Limited was deliberated upon and thereafter approved by a 100% majority.
- The Resolution Plan by Genus Paper and Board Ltd provides for a total payment of INR 82.10 crore. Apart from this, Genus Papers and Board Ltd also proposes to infuse additional capital of approximately INR 100 crore for investment in capital expenditure, working capital, capital requirement and general corporate purposes.
- The Bench while approving the Plan vide order dated February 23, 2021 condoned the delay beyond 180 days and directed the Resolution Professional to act as the 'Monitoring Agency' to monitor and supervise the proper implementation of the approved Plan.



COMPANIES ADMITTED TO INSOLVENCY IN JAN

Companies admitted to insolvency in the month of January 2021

#	Name of Corporate Debtor	NCLT	Industry
1	KSK Water Infrastructures Pvt Ltd	Hyderabad (Special Bench – Video conference)	<u>Water & Gas</u> A non-govt company majorly in electricity, gas & water business.
2	Raigarh Champa Rail Infrastructure Pvt Ltd	Hyderabad	<u>Transport (Rail), Storage and Communications</u> A non-govt company majorly in transport, storage and communications business.
3	Heavy Metal and Tubes Ltd	Ahmedabad	<u>Manufacturing</u> Mainly into producing stainless steel tubes & pipes. Also produces carbon and alloy steel tubes & pipes.
4	Business Broadcast News Pvt Ltd	Mumbai	<u>Media & Entertainment</u> With its main office in Mumbai, it operates in the broadcasting (except Internet) sector.
5	Covidh Technologies Ltd	Hyderabad	<u>Service (IT/Software)</u> A non-govt company involved in software publishing, consultancy and supply.
6	S S P Sponge Iron Pvt Ltd	Hyderabad	<u>Mining</u> A non-govt company involved in mining of iron ores including mining of hematite, magnetite, limonite, siderite or taconite etc. which are valued chiefly for iron content. Also produces sintered iron ores.
7	Kannelite Facility Management Services Pvt Ltd	Allahabad	<u>Consultants/Service</u> Involved in Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy.
8	PR3 Lifespaces LLP	Ahmedabad	<u>Real Estate</u> Carries out real estate activities.

9	Real Video Impact Pvt Ltd	New Delhi	<u>Media/Entertainment</u> A non-govt company involved in motion picture, radio, television and other entertainment activities.
10	Emcor Packaging Pvt Ltd	Hyderabad	<u>Manufacturing</u> A non-govt company involved in manufacturing of industrial corrugated boxes, corrugated carton boxes, printed corrugated boxes, heavy duty corrugated boxes etc.
11	Goodwill Theatres Pvt Ltd	Mumbai	<u>Media & Entertainment</u> A non-govt company involved in motion picture, radio, television and other entertainment activities.
12	S N Jee Build Well Pvt Ltd	New Delhi	<u>Other (Construction/Civil Engineering)</u> Involved in building of complete constructions or parts thereof and providing civil engineering services.
13	Indradev Goods Pvt Ltd	Kolkata	<u>Retail & Consumer</u> Involved in other wholesale activities which also includes specialized wholesale not covered in any one of the previous categories and wholesale in a variety of goods without any particular specialization.
14	Raj Rajeshwari Sugar Pvt Ltd	Ahmedabad	<u>Manufacturing</u> A non-govt company involved in manufacturing of food products.
15	Nishakunj Buildcon LLP	Ahmedabad	<u>Real Estate/ Construction</u> Carries out construction activities.
16	Shree Ambica Geotex Pvt Ltd	Ahmedabad	<u>Services (Agricultural & Animal Husbandry)</u> A non-govt company involved in agricultural and animal husbandry service activities, except veterinary activities.
17	Digital Micron Roto Print Pvt Ltd	Ahmedabad	<u>Manufacturing & Trading</u> A non-govt company which provides the widest possible collection of multi-Layer LD/ LLDPE/Milky & Natural (food grade) films.
18	Ganaya Commodities Pvt Ltd	New Delhi	<u>Trading</u> An unlisted private company with primary business of wholesale trade and commission trade except of motor vehicles and motorcycles.
19	Icon Cables Ltd Company	New Delhi	<u>Manufacturing</u> Manufactures fire resistance instrumentation and control cables. It is a manufacturer of specialty cables for oil and gas industry like Catholic Protection cables, Fire Resistance Instrumentation cables etc.
20	Allbest Offshore Marine (India) Pvt Ltd	New Delhi	<u>Service/Consultants</u> A non-govt company in providing consultancy services.
21	Jinaam's Dress Ltd	Ahmedabad	<u>Textile</u> A non-govt company involved in manufacturing of garments via spinning, weaving and finishing of textiles.
22	Gayatri Sea Foods and Feeds Pvt Ltd	Hyderabad	<u>Manufacturing</u> Establishes and manufactures modern cold storage and deep freezing plant capable of preserving all kinds of food stuffs, chemicals, drugs, fruits, vegetables, fish, meat and all other eatables and gives the same on hire.
23	IOGPL Offshore Pvt Ltd	Mumbai	<u>Oil & Gas</u> Engaged in offshore construction, technical and management services in India. They are currently dealing in products of SAPPI (Magnostar), APP China and APP Indonesia among various other products.
24	Shobha Cards Pvt Ltd	New Delhi	<u>Other (Trading)</u> A paper trading company
25	Turtle Books Pvt Ltd	New Delhi	<u>Media (Printing/ Publishing)</u> A non-govt company involved in print media and publishing business.
26	Globcon Commercial Services Pvt Ltd	Mumbai	<u>Manufacturing</u> Has business interests in real estate development and manufacturing of construction materials.

Companies directed to be liquidated in the month of January 2021

#	Name of Corporate Debtor	NCLT	Industry
1	Value Infratech India Pvt Ltd	Principal Bench – New Delhi	<u>Real Estate</u> Involved majorly in the business of construction projects and providing civil engineering services.
2	Aswaraj Infra Pvt Ltd	Ahmedabad Bench	<u>Manufacturing & Retail</u> In the business of manufacturing and selling longitude and circumstance welding pipe etc.
3	Gupta Marriage Halls Pvt Ltd	New Delhi	<u>Hospitality & Leisure</u> In the business of providing services of hotel banquets, camping sites and other provision of short-stay accommodation.
4	A to Z Barter Pvt Ltd	New Delhi	<u>Real estate</u> Involved in Real estate activities with own or leased property. This includes buying, selling, renting, and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots etc. Also included are development and sale of land and cemetery lots, operating of apartment hotels and residential mobile home sites.
5	Lakshmi Subbaiaah Tex Pvt Ltd	Chennai	<u>Other (Textile)</u> Involved in the business of spinning, weaving, and finishing of textiles.
6	Modern India Con Cast Ltd	Kolkata	<u>Manufacturing (Iron and Steel)</u> In the business of manufacturing of basic iron & steel.
7	Anurag Multipurpose Coldstorage Pvt Ltd	Kolkata	<u>Services</u> Involved in business of providing cold storage services.
8	Rhytem Overseas Trade Ltd	Kolkata	<u>Other (Trading)</u> Involved in the business of providing wholesale services on a fee or contract basis. The services include commission agents, commodity brokers and auctioneers and all other wholesalers who trade on behalf and on the account of others.
9	K.K. Welding Ltd	Mumbai	<u>Manufacturing (Welding products)</u> Involved in the manufacturing of welding products. Also offers welding products such as electrodes, machines, cables, accessories, and safety equipment.
10	Pro Eyetech Electrotekniks Pvt Ltd	Ahmedabad	<u>Services</u> The company is involved in providing business services however, the type of services is not specified.
11	Cargo Planners Ltd	New Delhi	<u>Logistics</u> Provides a comprehensive range of logistics services such as cargo shipment, packaging, warehousing etc.
12	Baid Narrow Fab Pvt Ltd	Ahmedabad	<u>Manufacturing (Textile)</u> In the business of manufacturing and export of textiles such as satin ribbons, ribbons, garment accessories etc.
13	Kwality Ltd	New Delhi	<u>Manufacturing (FMCG Dairy)</u> In the business of manufacturing and wholesale of dairy products such as ice- creams.
14	Steps Dumsak Waste Processing Service Pvt Ltd	Ahmedabad	<u>Services</u> Involved in recycling of non-metal waste and scrap [from old new papers, rejected glass articles and used non-metallic items etc.
15	Bripranil Industries Ltd	Kolkata	<u>Manufacturing (Tyre and rubber)</u> In the business of manufacturing tyres, rubber and cord fabrics.
16	Aditi Health Oils Pvt Ltd	Kolkata	<u>Manufacturing & Retail</u> In the business of manufacturing sunflower oil, rice bran oil and other kinds of edible oils.

17	Indian Transelectric Company Ltd (voluntary liquidation)	New Delhi	<u>Manufacturing (Machinery & Equipments)</u> Is majorly in manufacturing of machinery & special purpose equipments.
18	Gems Care & Cure Health Center Pvt Ltd	Kolkata	<u>Health</u> Involved in health services and in community, personal & social services activity.
19	Ural India Ltd	Kolkata	<u>Service (Motor Repair)</u> Involved in providing services related to repair and cleaning of transport vehicles.
20	Automobiles Sterling (India) Pvt Ltd	Delhi	<u>Retail</u> Involved in the business of sale of motor vehicles including wholesale and retail sale of new and used passenger motor vehicles, lorries, trailers etc.
21	Ablaze Info Solutions Pvt Ltd	New Delhi	<u>IT & Services</u> Involved in the business of providing IT services such as maintenance of websites of other firms/creation of multimedia presentations for other firms etc.
22	Paras Spares and Accessories Ltd	Delhi	<u>Manufacturing</u> It is involved in manufacture of special purpose machinery.
23	Incom Wires and Cables Ltd	Principal Bench New Delhi	<u>Manufacturing (Industrial Products/Electrical equipment)</u> In the business of production of industrial products and equipment such as copper cable wires.
24	H. Sharda Texfab Pvt Ltd	Ahmedabad	<u>Manufacturing (Textile)</u> Manufacturing of textiles
25	Indian Gem & Jewellery Imperial Pvt Ltd	Kolkata	<u>Manufacturing (Metals & Chemicals)</u> Manufacturing of metals and chemicals and products thereof.

CONTRIBUTIONS BY:

Abhirup Dasgupta | Partner

Pratik Ghose | Partner

Avishek Roy Chowdhury | Associate

Ishaan Duggal | Associate

Bhawana Sharma | Trainee Associate

HSA AT A GLANCE

FULL-SERVICE CAPABILITIES



BANKING & FINANCE



COMPETITION & ANTITRUST



CORPORATE & COMMERCIAL



DEFENCE & AEROSPACE



DISPUTE RESOLUTION



ENVIRONMENT, HEALTH & SAFETY



INVESTIGATIONS



LABOR & EMPLOYMENT



PROJECTS, ENERGY & INFRASTRUCTURE



PROJECT FINANCE



REAL ESTATE



REGULATORY & POLICY



RESTRUCTURING & INSOLVENCY



TAXATION



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

GLOBAL RECOGNITION



STAY CONNECTED



www.hsalegal.com



mail@hsalegal.com



HSA Advocates

PAN INDIA PRESENCE

New Delhi

81/1 Adchini
Sri Aurobindo Marg
New Delhi – 110 017

Phone: (+91) (11) 6638 7000

Email: newdelhi@hsalegal.com

Mumbai

Construction House, 5th Floor
Ballard Estate
Mumbai – 400 001

Phone: (+91) (22) 4340 0400

Email: mumbai@hsalegal.com

Bengaluru

Aswan, Ground Floor, 15/6
Primrose Road
Bengaluru – 560 001

Phone: (+91) (80) 4631 7000

Email: bengaluru@hsalegal.com

Kolkata

No. 14 S/P, Block C,
Chowringhee Mansions
Kolkata – 700 016

Phone: (+91) (33) 4035 0000

Email: kolkata@hsalegal.com