

# Restructuring & Insolvency

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Monthly Newsletter

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# STATUTORY UPDATES

## Pre-packaged insolvency resolution process for MSMEs

- The Finance Minister of India in the Union Budget for FY 2020-21 announced that in addition to the numerous relaxations and incentives given in the Budget 2021, the Government shall roll out a separate framework for Micro, Small and Medium Enterprises. In light of the same, in exercise of the powers conferred by Clause (1) of Article 123 of the Constitution, the President of India promulgated the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (**Ordinance**) on April 04, 2021, to allow Pre-packaged Insolvency Resolution Process (**PIRP**) for Corporate Debtors classified as Micro, Small and Medium Enterprises (**MSMEs**) under the Micro, Small and Medium Enterprises Development Act, 2006.
- The Ordinance alters the Insolvency and Bankruptcy Code, 2016 (**IBC**) by introducing the Ordinance as a part of Chapter IIIA of Part II of the IBC. Clause 2 of the Ordinance altered Section 4 of the IBC by adding a 'proviso' according to which the Central Government may, by notification, specify such minimum amount of default for matters relating to the pre-packaged insolvency resolution process of Corporate Debtors under Chapter III-A.
- In view of the above, the Central Government vide notification dated April 09, 2021 notified the minimum amount of default for a debtor to opt for the pre-package route. According to the notification, a minimum of INR 10 lakh has been specified as the minimum limit for the matters relating to the PIRP of the Corporate Debtor under Chapter III-A of the IBC.

## IBBI (Pre-package Insolvency Resolution Process) Regulations, 2021

- Vide notification dated April 09, 2021, the Insolvency and Bankruptcy Board of India (**IBBI**) introduced the IBBI (Pre-packaged Insolvency Resolution Process) Regulations, 2021 (**PPIRP Regulations**). These Regulations can be considered to be an extension of, and are to be applied conjointly with, the recently introduced Chapter IIIA of the IBC.
- The PPIRP Regulations provide for the mechanism to be followed while opting for the PIRP and have been divided in ten Chapters and can be [viewed here](#).
- A brief overview of the PIRP process basis a conjoint reading of the PPIRP Regulations with the relevant Sections under Chapter III A of the IBC is as under:
  - **Applicability**
    - As on date, PIRP is available only for Corporate Debtors which are classified as MSMEs under Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006.
    - This process will not be available to the Corporate Debtors which have undergone a PIRP or Corporate Insolvency Resolution Process (**CIRP**) in the three years preceding the date of the Application before the Adjudicating Authority.

- **Initiation of PIRP**
  - As per the provisions provided under Chapter IIIA of the IBC, PIRP can be initiated by a Corporate Debtor by filing a requisite Application in cases where the default is not less than INR 10 lakh. For initiating the PIRP, the Corporate Debtor inter alia needs consent from (i) 66% of unrelated Financial Creditors and (ii) shareholders of the CD by special majority (75%).
  - After the above-mentioned conditions are met, a meeting of the unrelated Financial Creditors is convened in terms of Regulations 14(1), 14(2) and 14(3) of the PPIRP Regulations in order to appoint the Resolution Professional as required under Section 54A(2)(e) of the IBC.
  - It is pertinent to note that the eligibility criteria, fee, and the powers and duties of the Resolution Professional have been provided under Chapter III (Regulations 7 to 10) of the PPIRP Regulations.
- **Application before the Adjudicating Authority and appointment of Resolution Professional**
  - Once the process as set out above is complete, an Application for the formal commencement of PIRP may be made by the Corporate Debtor before the relevant Adjudicating Authority under Form 1 of the Insolvency and Bankruptcy (pre-packaged insolvency resolution process) Rules, 2021.
  - The Application should inter alia be accompanied with:
    - Declarations which are to be filed in requisite forms as provided under Regulation 16 of the PPIRP Regulations.
    - Approvals by the Financial Creditors in terms of Regulation 14 of the PPIRP Regulations including the approval appointment of the proposed Resolution Professional, the terms and conditions of his appointment and Form P4 containing the approval for filing an Application for initiation of PIRP as required under Regulation 54A(3) of the IBC.
    - Upon approval of the Resolution Professional according to Section 54A(2)(e) of the IBC read with Regulations 14(5) and 14(6) of the PPIRP Regulations, the Resolution Professional has to file a Report as required under Section 54B (1) in Form P8 which is mentioned under Regulation 17 of the PPIRP Regulations. Such report shall contain the confirmation that the Corporate Debtor has met the requirements as mentioned under Section 54A (2) to file an Application for initiation of PIRP and, that the Base Resolution Plan is in consonance with the requirements as mentioned under Section 54K of the IBC.
    - A declaration regarding any avoidance transactions under Chapter III of the IBC or fraudulent or wrongful trading under Chapter VI of the IBC read with the terms provided under Regulation 41 of the PPIRP Regulations.
    - Information relating to books of account of the Corporate Debtor, audited financial statements of the Corporate Debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the Application.
- **PIRP after admission of the Application**
  - As per Regulation 19 of the PPIRP Regulations, upon admission of the Application for commencement of PIRP, a Public Announcement has to be made by the Resolution Professional in Form P9 of the PPIRP Regulations.
  - Thereafter, according to Section 54G of the IBC and Regulations 20 and 21 provided under Chapter V of the PPIRP Regulations, the Corporate Debtor has to submit a preliminary list of claims along with the details of the respective creditors, their security interest and guarantees, if any, with the Resolution Professional within a period of two days from the Insolvency Commencement Date. The Resolution Professional shall then confirm the details received from the records maintained by the Corporate Debtor and the documents provided and maintain a list of claims. The Resolution Professional is also required to inform every creditor regarding its claims, as confirmed by the Resolution Professional, and seek objections, if any.
  - Once the claims are verified by the Resolution Professional, a Committee of Creditors (**CoC**) of the Corporate Debtor has to be constituted by the Resolution Professional in terms of Section 54-I of the IBC and Regulations 24 to 26 of the PPIRP Regulations. As per the said Regulations, in case the Corporate Debtor has only creditors in a class and no other Financial Creditors who are unrelated to the Corporate Debtor, in such case, the CoC shall only consist of Authorized Representatives. Further, in case the Corporate Debtor does not have any Financial Creditor, then the CoC shall consist of only Operational Creditors and the CoC shall be formed according to the procedure provided under Regulation 25 of the PPIRP Regulations.
  - The Corporate Debtor has to prepare a preliminary Information Memorandum containing information relevant for formulation of a Resolution Plan as provided under Regulation 40 of

the PPIRP Regulations and submit it to the Resolution Professional within a period of 2 (two) days from the Insolvency Commencement Date in terms of Section 54G(1)(b) of the IBC. Pursuant to the same, in terms of Regulation 40(3) of the PPIRP Regulations, the Resolution Professional finalizes the Information Memorandum and submits it before the CoC within fourteen days of the pre-packaged Insolvency Commencement Date.

- During the PIRP, in terms of Section 54H of the IBC, the management of the affairs of the Corporate Debtor would continue with the erstwhile board of directors or the partners, subject to fulfilment of certain conditions provided under Regulation 50 of the PPIRP Regulations. At the same time, the Resolution Professional has to inter alia monitor the management of Corporate Debtor and inform the CoC in the event the erstwhile management breaches any of its obligations. However, on an Application made under Section 54J (1) of the IBC in Form P14 provided in the PPIRP Regulations, if it is found by the Adjudicating Authority that the affairs of the Corporate Debtor have been conducted in a fraudulent manner or there has been gross mismanagement of the affairs, then the Adjudicating Authority may pass an order vesting the management of the Corporate Debtor with the Resolution Professional.

#### – Invitation to prospective Resolution Applicants and submission of Resolution Plans

- The Corporate Debtor has to submit a Base Resolution Plan to the Resolution Professional within a period of two days from the Insolvency Commencement Date. The Base Resolution Plan can be considered and approved by the CoC if it discharges the debts owed to Operational Creditors in full.
- However, if the CoC does not approve the Base Resolution Plan then the Resolution Professional has to invite prospective resolution applicants (**PRAs**) in terms of Regulation 43 of the PPIRP Regulations to submit a Resolution Plan for the Corporate Debtor (by competing with the Base Resolution Plan). The invitation for resolutions plans has to be published in Form P11 (provided under the PPIRP Regulations) and shall:
  - Detail each step in the process, and the manner and purposes of interaction between the Resolution Professional and the resolution applicant, along with corresponding timelines.
  - Include- (i) the basis for evaluation i.e., the parameters to be applied and the manner of applying such parameters, as approved by the committee, for evaluating a Resolution Plan to assign a score to the plan; (ii) basis for considering a Resolution Plan significantly better than another Resolution Plan; (iii) tick size i.e., minimum improvement over another Resolution Plan in terms of score; and (iv) the manner of improving a Resolution Plan.
- Regulations 44 and 45 of the PPIRP Regulations provide the mandatory contents of the Resolution Plans. Further, in terms of Section 54K(3) of the IBC, the Resolution Plans have to comply with the requirements under Section 30(1) and (2) of the IBC. Thereafter, if it is concluded that the Resolution Plans are compliant with the provisions of the IBC and the PPIRP Regulations, then they are placed before the CoC, which would evaluate the Resolution Plans presented by the Resolution Professional, according to the basis of evaluation and in terms of Regulation 47 of the PPIRP Regulations, select the Resolution Plan with the highest score (**H1 Plan**).

#### – Approval of Resolution Plan for the Corporate Debtor MSME

- Section 54K of the IBC and Regulation 48 of the PPIRP Regulations provide the procedure for approval of Resolution Plan by the CoC. According to the same, if the H1 Plan is found to be significantly better than the Base Resolution Plan, then the H1 Plan may be considered by the CoC for approval. However, if the aforesaid condition is not met, then the Resolution Professional would disclose the score allotted to the H1 Plan based on the Evaluation Matrix and the Base Resolution Plan to the concerned PRA and the Corporate Debtor respectively and invite them to improve the respective plans within a time window of 48 (forty-eight) hours. The plan having a higher score on completion of the aforesaid time period would be considered by the CoC for approval.
- Pertinently, in terms of Section 54K(7)(b) of the IBC, the Corporate Debtor / PRAs should meet the requirements as under Section 29A of the IBC as applicable to MSMEs.
- Once a Resolution Plan is approved by the CoC, then in terms of 54K(15) of the IBC and Regulation 49 of the PPIRP Regulations, the Resolution Professional has to apply, along with a compliance certificate in Form P12, to the Adjudicating Authority for approval of the said Resolution Plan.

#### – Time period for completion of the PIRP



- In terms of Section 54D of the IBC, a Resolution Plan is required to be approved by the CoC within a period of 90 (ninety) days from the Insolvency Commencement Date, failing which the PIRP may be terminated.
- Further, the PIRP (formal process) has to be completed within a period of 120 (one hundred and twenty) days from the Insolvency Commencement Date.

– **Relevant Forms provided under the PPIRP Regulations**

- The following table provides some of the relevant forms which are required to be filed as per the relevant provisions of the IBC read with the relevant PPIRP Regulation(s):

S. No.	Relevant provision	Form
1.	<b>Regulation 7:</b> Written consent by an insolvency professional confirming his eligibility to be appointed as the Interim Resolution Professional/ Resolution Professional.	Form P1
2.	<b>Regulation 14(3):</b> List of creditors along with their claims.	Form P2
3.	<b>Regulation 14(5):</b> Approval of the terms of appointment of the Resolution Professional under clause (e) of sub-section (2) of Section 54A of the IBC.	Form P3
4.	<b>Regulation 14(7):</b> Approval of Financial Creditors for initiating PIRP of Corporate Debtor under Section 54A(3) of the IBC.	Form P4
5.	<b>Regulation 15(d)(iii):</b> Written Consent of the insolvency professionals to act as the authorised representative of creditors in the class.	Form P5
6.	<b>Regulation 16(1):</b> Declaration under Section 54A(2)(f) of the IBC by directors/partners.	Form P6
7.	<b>Regulation 16(2):</b> Declaration regarding existence of avoidance transactions as mentioned under Section 54C(c) of the IBC.	Form P7
8.	<b>Regulation 17:</b> Report by Resolution Professional as required under Section 54B(1)(a) of the IBC.	Form P8
9.	<b>Regulation 19(2)(a):</b> Public announcement inviting claims from the creditors of the Corporate Debtor.	Form P9
10.	<b>Regulation 20:</b> List of claims filed by the Resolution Professional.	Form P10
11.	<b>Regulation 43:</b> Invitation for Resolution Plan	Form P11
12.	<b>Regulation 49(1):</b> Compliance Certificate filed by Resolution Professional along with the Application for approval of Resolution Plan.	Form P12
13.	<b>Regulation 49(4):</b> Application by Resolution Professional for termination of PIRP.	Form P13
14.	<b>Regulation 51:</b> Application for vesting management with Resolution Professional.	Form P14

## IBBI (Pre-package Insolvency Resolution Process) Rules, 2021

- Vide notification dated April 09, 2021, IBBI introduced the IBBI (Pre-packaged Insolvency Resolution Process) Rules, 2021 (**PPIRP Rules**). These rules shall apply to the matters relating to the PIRP.

As per Rule 4 of the PPIRP Rules, the Corporate Debtor applying for initiation of PIRP shall make an application under sub-section (1) of Section 54C of the IBC in Form 1, accompanied with affidavit, documents or records as referred in Annexures therein, in electronic form, along with a fee of INR 50,000. It is pertinent to note that the Application shall be filed before the Adjudicating Authority in accordance with Rules 20, 21, 22, 23, 24 and 26 of the National Company Law Tribunal Rules, 2016 and a copy of the application shall be served to the IBBI by registered post or speed post or by hand or by electronic means, before filing it with the Adjudicating Authority.

- The proviso to said Rule states that in case electronic facility is not available for filing such application, the application and the accompanying documents may be filed in physical form, and wherever the accompanying documents are bulky, the same may be submitted in scanned portable document format in a data storage device such as a compact disc or a USB flash drive acceptable to the Adjudicating Authority. Form 1, for filing the Application for initiation of PIRP can be [viewed here](#).

## IBBI (Insolvency Professionals) (Amendment) Regulations, 2021

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- In exercise of the powers conferred by sections 196, 207 and 208 read with Section 240 of the IBC, IBBI on April 27, 2021 notified the following amendments into the IBBI (Insolvency Professionals) Regulations, 2016 (**Principal Regulations**).
- Insertion of proviso in Clause (ca) of Sub-Regulation (2) of Regulation 7 of the Principal Regulations providing that for the financial year 2020-2021, an insolvency professional shall pay the fee under the said clause on or before June 30, 2021.
- The IBBI inserted various provisos to Sub-Regulation (2) of Regulation 13 of the Principal Regulations which provides the conditions for recognition of insolvency professional entities, which are as follows:
  - The proviso to Clause (b) of the said Sub-Regulation (2) provides that when an individual ceases to be its director or partner, then, on and from April 27, 2021 till December 31, 2021, the insolvency professional entity shall inform IBBI, within thirty days of such cessation.
  - Further, the proviso to Clause (c) of the said Sub-Regulation (2) provides that when an individual joins as its director or partner, then, on and from April 27, 2021 till December 31, 2021, the insolvency professional entity shall inform IBBI, within thirty days of such joining.
  - Lastly, the proviso to Clause (ca) of the said Sub-Regulation provides that for FY 2020-2021, an insolvency professional entity shall pay the fee under the said clause on or before June 30, 2021.
- These amendments provide clarity especially on the conditions to be fulfilled for recognizing insolvency professional entities under the IBC and makes it more efficient.

## IBBI (Information Utilities) (Amendment) Regulations, 2021

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- In exercise of the powers conferred by Section 196 read with Section 240 of IBC, IBBI on April 13, 2021 notified the following amendments into the IBBI (Information Utilities) Regulations, 2017 (**IU Regulations**).
- Insertion of Clauses (ba) and (bb) to Sub-Regulation (3) in Regulation 15 of the IU Regulations. The newly inserted clauses directs that the byelaws of Information Utilities must provide for minimum service quality standards and adoption of quality standards and quality standards certifications.
- Substitution of Sub-Regulation (1) in Regulation 27 with 'A user, who has submitted information in Form C of the Schedule to an information utility, shall submit the information updated as on the last day of every month, in the first week of following month: Provided that information of default shall be updated within seven days of occurrence of default.' It is pertinent to highlight that prior to the present amendment, there were no such timelines, and the only requirement was that a user must expeditiously update the information submitted by it to an information utility.
- Further, Regulation 36A 'Publication of statistical information' has been inserted after Regulation 36 'Provision of information to the Board' of the IU Regulations. The Regulation 36A directs that an information utility shall publish statistics relating to debt related information in its possession, quarterly and such statistics shall provide distribution of debts in terms of currency, geography, sector, size, tenor, type, lending arrangement, and incidence of default.
- In addition to the above, the amendment substitutes Form C i.e., for acceptance and receipt of information, in the Schedule of the IU Regulations. The same can be [found here](#).



# RECENT JUDGMENTS

## Technology Development Board v. Anil Goel & Ors

Judgment dated April 05, 2021 in [Company Appeal (AT) (Insolvency) No.731 of 2020]

### Background facts

- Gujarat Oleo Chem Ltd., the Corporate Debtor, was admitted into insolvency and thereafter was sought to be liquidated in terms of Section 33 of the IBC. Mr. Anil Goel was appointed as the Liquidator of the Corporate Debtor. Technology Development Board, the Appellant, was one of the Financial Creditors the Corporate Debtor having 14.54% voting share in the CoC of the Corporate Debtor.
- During the liquidation process, the sale proceeds of the Corporate Debtor were distributed amongst the creditors by the Liquidator and the Appellant received no amount. The Appellant being aggrieved by the order and amount of distribution, filed an Interlocutory Application before the NCLT on the ground that the claim of the Appellant as a Secured Creditor was not considered, and that the liquidator failed to distribute the sale proceeds as per the voting shares and the order of priority of the creditor.
- The NCLT, Allahabad vide order dated February 27, 2020 (**Impugned Order**)<sup>1</sup> held that the inter-se priorities amongst the Secured Creditors would remain valid and prevail in distribution of assets in liquidation. Therefore, applying the principle to the facts wherein as the Appellant held a second charge on assets and the other creditors held first charge, the Application of the Appellant was held to be non-maintainable.
- Aggrieved by the Impugned Order, the Appellant filed an Appeal before the National Company Law Appellate Tribunal (**NCLAT**). The counsel for the Appellant contended that once the security interest is relinquished by a Secured Creditor, the priority and the bases of charge loses its significance and all the creditors irrespective of the priority of charge are to be treated for the distribution of assets in terms of Section 53 of the IBC.
- Per Contra, the Liquidator argued that the disbursement of amount was with regard to waterfall treatment of Section 53 of IBC and relied on the decision of the Supreme Court (**SC**) in the matter of *ICICI Bank Ltd v. Sidco Leathers Ltd & Ors*<sup>2</sup>. wherein it was held that that inter-se priorities amongst creditors are to be respected under Section 53 of the IBC.

### Issue at hand?

- Whether there can be no sub-classification inter-se the Secured Creditors in the distribution mechanism adopted in distribution of assets in terms of Section 53 of the IBC?

<sup>1</sup> I.A. No. 514 of 2019 in C.P. (IB) No. 04 of 2017

<sup>2</sup> Appeal (Civil) 2332 of 2006

## Decision of the Tribunal

- The Tribunal took note of Sections 52 and 53 of the IBC and thereafter discussed at length the implications of reading both the sections together. In view of the same, following observations were made by the tribunal:
- Section 52(2) provides that in the event of the Secured Creditor choosing to realize the security interest, it shall inform the Liquidator of such security interest and also identify the asset subject to such security interest to be realized. It shall be the duty of the Liquidator to verify such security interest and permit the Secured Creditor to realize only such security interest the existence of which is proved in the prescribed manner. Further, It is abundantly clear that the realization of security interest is directly linked with the asset subject to such security interest to be realized.
- Section 53 deals with distribution of assets by providing that the proceeds from the sale of liquidation assets shall be distributed in the order of priority laid down. The provision engrafted in Section 53 has an overriding effect over all other laws in force.
- The vital distinction between the two provisions viz. Section 52 and Section 53 lies in regard to realization of interest with Section 52 providing option to the Secured Creditor in liquidation proceedings to choose between relinquishment of its security interest and realization of its security interest while Section 53 is confined to mode of distribution of the proceeds from the sale of the liquidation assets.
- Lastly, Section 52 incorporating the Doctrine of Election, read in juxtaposition with Section 53 providing for distribution of assets treats Secured Creditor relinquishing its Security interest to the liquidation estate differently from a Secured Creditor who opts to realize its security interest, in so far as any amount remains unpaid following enforcement of security interest to a Secured Creditor is concerned by relegating it to a position low in priority.
- In view of the above observations, the Tribunal was of the view that while the realization of security interest can be exercised only qua the asset which is subject to such realizable security interest, relinquishment of security interest to the liquidation estate would leave the Secured Creditor entitled to claim distribution in the proceeds from the sale of the liquidation assets.
- Therefore, with regard to the sub-classification of Secured Creditors on the basis of relinquishment of security in it can be presumed that while it is true that the relinquishment of security interest affects the order of distribution, it is equally true that the Secured Creditor does not lose its status of being a Secured Creditor though he has elected to forego his right of enforcing security interest.
- Thus, once a Secured Creditor opts to relinquish its security interest, the distribution of assets would be governed by the provision engrafted in Section 53(1)(b)(ii) whereunder all Secured Creditors having relinquished security interest rank equally irrespective of the priority over the charge.
- For the foregoing reasons, the NCLAT held that the Impugned Order holding that the inter-se priorities amongst the Secured Creditors will remain valid and prevail in distribution of assets in liquidation cannot be sustained and directed the Liquidator to treat the Secured Creditors relinquishing the security interest as one class ranking equally for distribution of assets under Section 53(1)(b)(ii) of the IBC and distribute the proceeds in accordance therewith.

### Our viewpoint

In our view, the NCLAT has misplaced its decision quite contrary to the settled principle of law and has diverged from harmonious interpretation of the law, particularly with respect to contractual rights and customary banking practices. Intercreditor agreements are customary in project financing and also in consortium loans as multiple lenders share the same security in a pre-agreed ratio. In this context, it is impractical to expect one lender to enforce outside of the liquidation under Section 52 of IBC and another to relinquish their claim to the liquidation estate and enable the liquidator to enforce and make payment under Section 53 of IBC. The judgment of the NCLAT also ignores the BLRC report which suggests giving credence to inter-se priorities amongst creditors. In our view, this judgment is also contrary to the well settled principles of 'intelligible differentia'. Pertinently, this decision of NCLAT has also been challenged before the SC in the matter titled *Kotak Mahindra Bank Ltd v. Technology Development Board & Ors.* and the final word of the SC is eagerly awaited on this issue.



# The Directorate of Enforcement v. Manoj Kumar Agarwal & Ors

Judgment dated April 09, 2021 in [Company Appeal (AT) (Insolvency) No.575/2019]

## Background facts

- The Central Board of Investigation BS&FC, New Delhi registered an FIR on October 25, 2017 under Section 13(2) read with Section 13(1)(d) of the Prevention of Corruption Act, 1988 (**PCA**) and Sections 120 B read with Sections 420, 467, 468 and 471 of the Indian Penal Code (**IPC**) against Sterling Biotech Ltd, the Holding Company, and its promoters/directors for hatching a criminal conspiracy with the intention of cheating Andhra Bank and other public sector Banks.
- On the basis of the said FIR, the Directorate of Enforcement initiated an investigation under the Prevention of Money Laundering Act, 2002 (**PMLA**). In view of the same, vide order dated May 25, 2018 read with corrigendum dated June 14, 2018, the properties of the Holding Company were provisionally attached. The said order also provisionally attached the properties of Sterling SEZ Infrastructure Ltd (**SIL**), the Corporate Debtor herein.
- In the interregnum, an Application under Section 7 of the IBC was filed against the Corporate Debtor and vide order dated July 16, 2018 the Corporate Debtor was admitted into insolvency. Thereafter, a prosecution complaint dated October 23, 2018 was filed against the Corporate Debtor and other concerned parties under PMLA and cognizance was taken by the concerned Adjudicating Authority under PMLA.
- Manoj Kumar Agarwal (**Respondent**), in the capacity of being the Resolution Professional of the Corporate Debtor, filed a Miscellaneous Application<sup>3</sup> before the NCLT seeking release of the attached properties of the Corporate Debtor vide the attachment order dated November 20, 2018 passed by the concerned Adjudicating Authority under PMLA. The Ld. NCLT Mumbai, vide order dated February 12, 2019 (Impugned Order) in the said Miscellaneous Application filed by Mr. Manoj Kumar Agarwal passed an order stating that attachment order and the corrigendum issued in 2018 which was confirmed by the concerned Adjudicating Authority, PMLA in November 2018 is a nullity and is non est in law in view of Sections 14(1)(a), 63 and 238 of the IBC. Based on the above reasoning, the NCLT in the Impugned Order permitted the Resolution Professional to take charge of the properties and deal with them under IBC as if there is no attachment order.
- Aggrieved by the order of the NCLT, the Directorate of Enforcement filed the present Appeal before the NCLAT. In the Appeal before the NCLAT, the counsel on behalf of the Appellant argued that PMLA is a special legislation which is aimed at dealing with the offence of money laundering and, therefore, has primacy over the IBC in proceedings relating to money laundering. Thus, the NCLT did not have any power to interfere with Provisional Attachment Order passed under PMLA and the same has to be dealt with only in the manner provided in law under the PMLA and the Resolution Professional was required to approach the Appellate Tribunal under PMLA under Section 8(2) of the said Act.

## Issue at hand?

- Can a property belonging to Corporate Debtor undergoing CIRP, which has been attached in proceedings under PMLA be taken in account to fulfil objects of IBC till a resolution takes place or sale of liquidation asset occurs in terms of Section 32A?

## Decision of the Tribunal

- After acknowledging materials produced, factual arguments advanced by both parties, the NCLAT held that the provisions of the IBC will over-ride the attachment of the properties (of a Corporate Debtor) under the PMLA, even when such attachment took place prior to the initiation of the CIRP.
- While arriving at this decision, the NCLAT examined the jurisdiction of the NCLT under Section 60(5) to adjudicate the said application. In doing so, the NCLAT compared the facts of the present matter with the facts, submissions of the parties and the decision of SC in the matter of *Embassy Property Developments Pvt Ltd v. State of Karnataka & Ors*<sup>4</sup>, whereafter the Tribunal observed that Section 60(5)(c) is very broad in its sweep was of the view that the decision of the Supreme Court in Embassy Properties did not appear to be relevant for deciding the correctness of the adjudicatory power of the NCLT herein.

<sup>3</sup> Miscellaneous Application No.1280/MB/2018 in company Petition IB No.405/MB/2018

<sup>4</sup> (2019) SCC Online SC 1542

- Another argument taken by the Appellant while relying on the decision of SC in the matter of *Deputy Director, Directorate of Enforcement Delhi v. Axis Bank and Ors*<sup>5</sup> was that the protection provided under Section 32A of IBC may not be available, firstly because the CIRP of the Corporate Debtor had not reached the stage of acceptance of Resolution Plan or the stage of liquidation. Secondly, because the PMLA is a special legislation with the aim of dealing with money laundering and that Section 71 of PMLA gives the provisions of the Act effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.
- To this effect, the NCLAT reiterated the constitutional validity of Section 32A of the IBC which was decided in *Manish Kumar v. Union of India*<sup>6</sup> and held that if the aims and objects of IBC are to be achieved, and maximization of value is material so as to reach a resolution, the CIRP is to be performed in time bound manner and there cannot be obstructions of attachments and existing seizures. If the property is under attachment or seizure, or possession is taken over, keeping the Corporate Debtor a going concern would be difficult and next to impossible as it would affect value of the property as the prospective applicants may not respond in the manner in which they would have, if the property was not under any active attachment or seizure. Therefore, the argument by the Appellant regarding non-application of Section 32A upon the CIRP of the Corporate Debtor was not accepted.
- Lastly, the present judgment also deliberated upon the nature of the PMLA proceedings particularly with respect to the effect of moratorium under Section 14 of the IBC on attachment of properties. The NCLAT considered the decision of the SC in the matter of *Pareena Swarup v. Union of India*<sup>7</sup> and concluded that that after the attachment when matter goes before the Adjudicating Authority under PMLA, proceeding before Adjudicating Authority for confirmation would be civil in nature. That being so, any quasi-criminal proceeding as regards Corporate Debtor, Section 14 of the IBC applies. Therefore, even if the Adjudicating Authority issues order of provisional attachment, the institution and continuation of proceedings before the Adjudicating Authority for confirmation would be hit by Section 14 of IBC and the attached property would be available to fulfil objects of IBC.

### Our viewpoint

The Appellate Tribunal in the given judgment has succinctly discussed and deliberated upon the broad overriding effects of the IBC over other acts for the successful resolution of a Corporate Debtor, more so to uphold the paramount objective of the IBC. While arriving at the decision, as discussed above, the Tribunal read the provisions of the PMLA parallelly with the provisions of the IBC and extensively analyzed the applicability of Section 32A read with Section 14 of IBC regarding the protection that may be granted to the assets of the Corporate Debtor in case of any ongoing proceedings under any other act against the Corporate Debtor. Lastly, this decision might be contested before the Apex Court as it might be wrongfully used as a blanket protection by the defaulters to first siphon off the money and thereafter resort to insolvency proceedings to seek protection from attachment of assets under the criminal proceedings.

## Union of India v. Vijaykumar V. Iyer

Order dated April 13, 2021 [Company Appeal (AT) (Insolvency) No. 733 of 2020]

### Background facts

- SC in the case of *Union of India v. Association of Unified Telecom Service Providers of India*<sup>8</sup> and other connected matters (**AGR Appeal**), vide judgment dated October 24, 2019 dealt with the definition of adjusted gross revenue (**AGR**) and directed that the AGR dues be paid by the telecom service providers (**TSPs/Licensees**) to the Department of Telecommunications (**DoT/Licensor**).
- Thereafter, an application was filed by the Union of India before the SC in the AGR Appeal, seeking extension of time to make the payment as several TSPs were undergoing insolvency proceedings under the IBC. The SC vide order dated July 20, 2020 observed that TSPs are making attempts to wriggle out of the liability in terms of the judgment which was impermissible and proposed to examine the bonafides of the initiation of the proceedings under the IBC.

<sup>5</sup> (2019) SCC Online Del 7854

<sup>6</sup> Writ Petition(C) No.26 of 2020

<sup>7</sup> (2008) 14 SCC 107

<sup>8</sup> Civil Appeal Nos. 6328-6399 of 2015.

- Meanwhile, on June 9, 2020, the NCLT passed an order approving the Resolution Plan submitted by an asset reconstruction company, UV Asset Reconstruction Co. Ltd. for Aircel Ltd, Dishnet Wireless Ltd and Aircel Cellular Ltd under the IBC (**Approval Order**).
- Subsequently, the DoT filed an appeal before the NCLAT against the Approval Order claiming that spectrum cannot be subjected to proceedings under IBC and its dues cannot be extinguished under the Resolution Plan.
- Vide an order dated September 1, 2020 (modified by another order dated September 25, 2020), the SC framed certain questions relating to treatment of spectrum and DoT dues in IBC proceedings. The SC directed that such jurisdictional questions shall be first considered by the NCLAT and accordingly a reasoned order should be passed, pursuant to which approval of the Resolution Plan would be considered.
- Hence, the present appeal before the NCLAT was taken up for hearing to answer the questions framed by the SC.

### Issue at hand?

- Whether telecom spectrum can be subjected to proceedings under the IBC?

### Decision of the Tribunal

- NCLAT answered numerous questions posed to it by the SC and ruled that while the right to use spectrum which is granted by the DoT to TSPs through license in lieu of consideration, is an asset of the TSPs, spectrum cannot be transferred/assigned without clearing the dues of the Licensor.
- At the very outset, NCLAT placed reliance on the decision in the case of Center for Public Interest Litigation & Ors v. Union of India & Ors<sup>9</sup> and noted that spectrum is a natural resource and is the property of the public vested in the State as a trustee (cestui que trust). The NCLAT further noted that the right to use of spectrum granted through licence partakes the character of a contract governing relations between the Licensor and Licensee.
- Upon perusal of the licence agreement entered between the DoT and Aircel Ltd., the NCLAT observed that the effective control lies in the hands of Licensor and the Licensee enjoys a limited right of use of spectrum even after obtaining right to use for a fixed period and in lieu of payment of licence fee.
- Referring to the Guidelines for Trading of Access Spectrum by Access Service Providers issued by the DoT (Spectrum Trading Guidelines), NCLAT held that spectrum is an intangible asset of the Licensee and that till the licence is not suspended/revoked/terminated/expired, the Licensee continues to have the limited right to trade.
- Having arrived at the finding that the telecom licence and right to use spectrum are assets of the Licensee falling within the purview of Sections 18 and 25 of the IBC, the NCLAT clarified that they are covered under the moratorium imposed under Section 14 of the IBC, thus, it can be subjected to insolvency or liquidation proceedings. In furtherance to this, NCLAT also observed that the Explanation to Section 14 (1) of the IBC is clarificatory in nature and provides statutory protection against suspension/termination of the licence by the Licensor. This protection is only limited to moratorium period and obtains only on the condition that there is no default in payment of current dues.
- Further, the NCLAT held that the right to use of spectrum under the licence agreement or falling within the ambit of tripartite agreement can be subjected to proceedings under Section 18 of IBC since as per the terms of the licence agreement, the Licensees have been granted right of use of spectrum for 20 years with renewal clause which leads to the conclusion that the right to use of spectrum would be in occupation of the Licensees in terms of the tripartite agreement.
- After a detailed analysis of the license agreement and Spectrum Trading Guidelines, the NCLAT observed that the Licensee cannot assign/transfer the licence without prior written approval of the DoT and such transfer/assignment is subject to fulfilment of conditions of the license which include the condition that all the past dues of DoT are fully paid till the date of transfer/assignment. Accordingly, a licence can be transferred as an intangible asset of the Corporate Debtor under insolvency proceedings in normal circumstances, however since the trading is subjected to clearance of dues by the Licensee, the Licensee who has defaulted would not qualify for transfer of licence under the insolvency proceedings.
- The NCLAT emphasized that spectrum cannot be utilized without payment of requisite dues which cannot be wiped off by triggering CIRP under the IBC. It pointed out that triggering CIRP by the Corporate Debtor with the object of wiping off such dues, not being for resolution but with malicious/fraudulent intent would be impermissible. Such an insolvency process, if triggered, would lead to a moratorium on licence fee and deferred spectrum payments, thereby allowing the Licensee to escape the said dues. This would

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<sup>9</sup> (2012) 3 SCC 1

mean that the DoT, being an Operational Creditor, would gain very less value for the asset, as Operational Creditors are placed below Financial Creditors in the distribution waterfall contemplated under Section 53 of the IBC.

- Furthermore, the NCLAT held that in accordance with the Revenue Sharing Regime and the provisions of Indian Telegraph Act, 1885, the grant of licence in lieu of consideration would be in the nature of dues payable to the Government, thereby falling within the ambit of 'Operational Dues' and the Licensor would have the status of 'Operational Creditor'. As the DoT itself submitted its claim as an Operational Creditor, it is now estopped from styling its dues as 'financial debt' and as such, the dues of DoT are not in the nature of 'a debt disbursed against the consideration for the time value of money' within the definition under Section 5(8) of the IBC.
- Lastly, the NCLAT observed that the relationship amongst the Licensor, the Licensee and the Lender is governed by the Tripartite Agreement and the enforcement of security interest by the Lenders will be subject to compliance of the Tripartite Agreement which envisages satisfaction of bank's claims only after settling the dues of DoT. Therefore, it held that spectrum cannot be treated as a security interest by the Lenders.

### Our viewpoint

This landmark ruling has clarified many controversial legal issues surrounding telecom spectrum and removes regulatory uncertainties on the issue of status and trading of spectrum during insolvency proceedings. It has been rightly held that the right to use spectrum is an asset of the Corporate Debtor. However, the decision may pose challenges for future insolvency resolutions as the telecom companies can sell spectrum only after clearing government dues in entirety. It is most likely that this will derail the resolution process and push such telecom companies into liquidation. It will also have wider implications on similar telecom companies undergoing IBC proceedings and lead to adverse consequences for lenders of bankrupt telecom companies.

## New Okhla Industrial Development Authority v. Anand Sonbhadra

Order dated April 16, 2021 [Company Appeal (AT) (Insolvency) No. 1183 of 2019]

### Background facts

- New Okhla Industrial Development Authority, a statutory authority (**Appellant**) had granted a lease of plot in favor of Shubhkamna Buildtech Pvt Ltd (**Corporate Debtor**) on July 30, 2010 for a term of 90 years. Thereafter, an application for initiation of Corporate Insolvency Resolution Process (**CIRP**) of the Corporate Debtor was filed under Section 9 of the IBC by Concord Infrastructure Pvt Ltd.
- During the CIRP, Appellant initially filed its claim in Form-B as an Operational Creditor and attended meetings of the CoC as an Operational Creditor. Subsequently, the Appellant filed another claim in Form-C claiming to be a Financial Creditor and sought voting share in the CoC based on the lease deed entered between the Appellant and the Corporate Debtor while contending that the same is a financial lease.
- Aggrieved by no response being received from the RP to the several correspondences issued by the Appellant, the Appellant filed an application before the NCLT under Section 60(5) of the IBC seeking issuance of necessary directions to the RP to admit its claim as a Financial Creditor. The NCLT vide order dated September 30, 2019 held that the lease deed in question was not a financial lease according to the Indian Accounting Standards (**IndAS**) and thus, the Appellant cannot be said to be a Financial Creditor.
- Aggrieved by Impugned Order by the NCLT, the Appellant filed an appeal before the NCLAT.

### Issue at hand?

- Whether the lease deed was a financial lease on basis of which the Appellant can be termed as a Financial Creditor under IBC?

### Decision of the Tribunal

- The NCLAT dismissed the present appeal and held that a lease of land between a developing authority and a builder cannot be considered or treated as a financial lease merely to enable the said authority to be a part of the CoC as a Financial Creditor.
- While arriving at this decision, NCLAT referred to the guidelines under the Ind-AS as Section 5 (8) (d) of the IBC defines financial debt as inclusive of the amount of any liability in respect of any lease which is deemed as a finance or capital lease under the Ind-AS. Now considering the facts of the instant case,

NCLAT observed that the lease deed did not transfer substantially all the risks and rewards incidental to ownership to the Corporate Debtor, which is a requirement as per Para 62 of Ind-AS. NCLAT also took note of the various terms under the lease deed which gave a controlling power to the Appellant and went on to observe that the Appellant substantially controlled the transaction under the lease and while the risks were passed to the Corporate Debtor, the Appellant withheld the rewards, except from the right to sell the flats which would be constructed.

- Rejecting another contention that the lease deed had a commercial effect of a borrowing, the NCLAT referred to the decision in the case of *Pioneer Urban Land and Infrastructure Ltd & Anr v. Union of India & Ors*<sup>10</sup> wherein it was held that a sale agreement between the builder and an allottee has such commercial effect. The NCLAT held there was no sale of land by the Appellant and thus, merely by payment of fixed premium in instalments, the lease deed cannot be considered as a financial lease.
- NCLAT further noted that the right of the Corporate Debtor to decide the price of the flats to be constructed did not make it a finance lease. Therefore, NCLAT dismissed the appeal for the lack of substance holding that the lease cannot be said to be a financial debt and the lease deed was not a finance lease in terms of the Ind-AS.

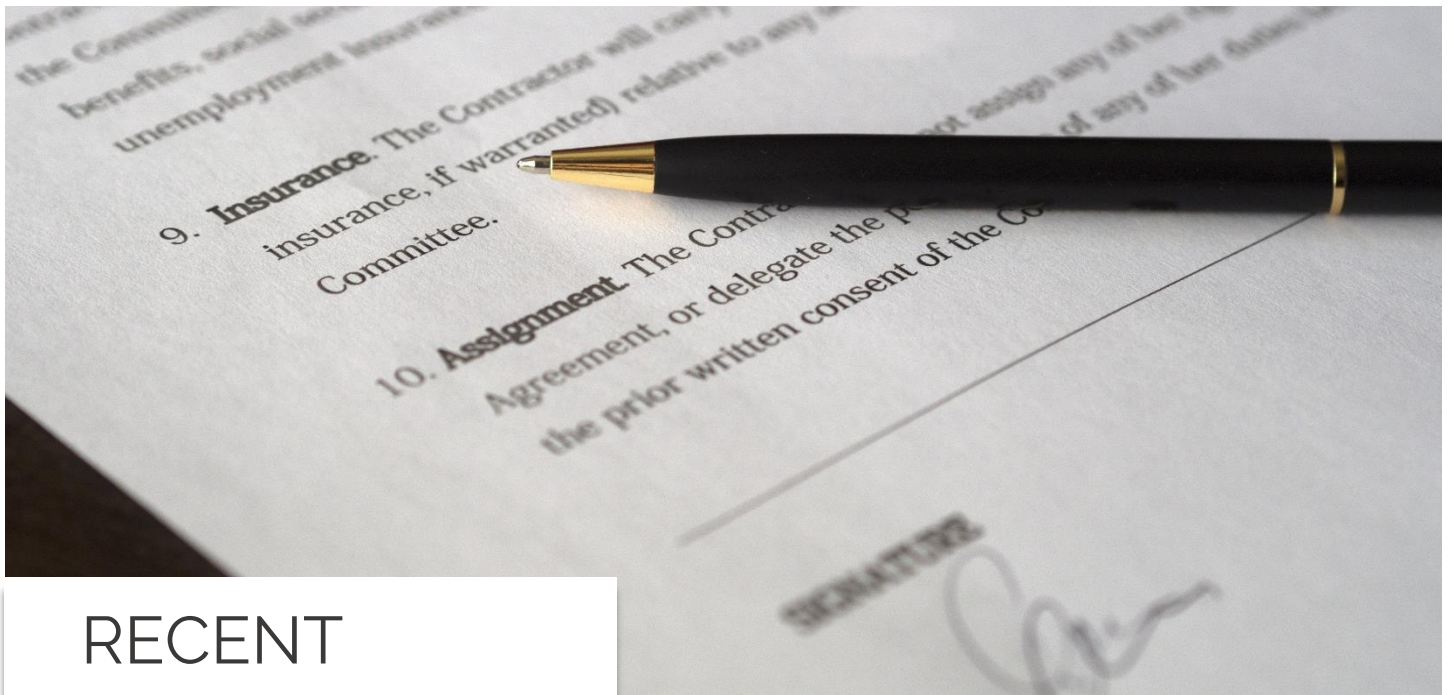
### **Our viewpoint**

This judgment has finally put to rest the highly contentious question regarding the claims raised by land development authorities which lease land to companies for commercial purposes. This decision stems from the fact that the crux essentially lies in the form and substance of the lease deed that is executed between the developing authorities and the concerned company.

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<sup>10</sup> (2019) 8 SCC 416.





## RECENT DEALS

### Resolution of Transparent Energy Systems Pvt Ltd

- NCLT, Mumbai Bench, vide an order dated April 16, 2021 approved the Resolution Plan submitted by Ashok Are (**Successful Resolution Applicant**), in the CIRP of Transparent Energy Systems Private Limited, the Corporate Debtor.
- Vide order dated March 08, 2019, the NCLT, Mumbai Bench admitted the Company Petition filed by an Operational Creditor under Section 9 of the IBC and ordered for initiation of the CIRP of Transparent Energy Systems Private Limited, the Corporate Debtor.
- The Resolution Professional issued Form-G inviting EoIs from Prospective Resolution Applicants. Pursuant to the public announcement, EoIs were received from 2 Prospective Resolution Applicants. However, the EoI submitted from one of the PRA namely, Seftech India Pvt Ltd was rejected on the ground of submission beyond the cut-off date. Thereafter, a revised Resolution Plan was received from Ashok Atre which was after detailed discussions, approved with 100% Voting share by the CoC in the 16th Meeting of the CoC.
- It is pertinent to note that the Successful Resolution Applicant is the promoter of the Corporate Debtor, however, as the Corporate Debtor falls under the category of Micro, Small and Medium Enterprises (**MSMEs**), accordingly the provisions of Section 240A of the IBC prevailed and the ineligibility criteria under Section 29A was not applicable.
- A perusal of the Resolution Plan shows that the term of the plan is distributed over a period of three years from the date of approval by the NCLT. The Resolution Plan provides for a total payment of INR 22.73 crore against an admitted debt of INR 98.50 crore. Additionally, the Plan also proposes to reduce the current value of the existing equity and preference share to NIL and thereafter infuse fresh share capital into Corporate Debtor to the tune of INR 10 lakhs by subscribing to 1 lakh fully paid-up equity shares of INR 0.10 each.

## Resolution Plan approved for Sharan Hospitality Pvt Ltd

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- The Resolution Process of Sharan Hospitality Pvt Ltd (**SHPL**) came to an end vide an order dated April 15, 2021 passed by the NCLT, Mumbai Bench, wherein it approved the Resolution Plan submitted by Majestic Auto Ltd (**Majestic**) in the CIRP of SHPL.
- The Application for initiation of CIRP filed by Cushman & Wakefield India Private Limited against SHPL was admitted by the NCLT on May 08, 2019. Thereafter, after following the due process, the Resolution Professional received two Resolution Plans, whereafter due deliberation the Resolution Plan submitted by Majestic was duly approved by the CoC with the requisite voting share in the 9th CoC meeting held on January 30, 2020.
- Majestic is a Public Limited Company engaged in the business of leasing/renting commercial properties and facility management and real estate.
- As per the approved Resolution Plan, a 100% pay-out to the tune of INR 81.84 crores has been made against the admitted outstanding debts. The Resolution Plan has provision according to which the entire existing share capital of the Corporate Debtor including preference share capital will be cancelled at a nominal cost and fresh capital infusion comprising of 5,00,000 shares of INR100 each shall be issued.
- It is pertinent to note that the approval of the Resolution Plan is subject to the vacation/modification of the stay orders dated 13 November 2018 and 27 September 2019 passed by the High Court of Delhi in *Daiichi Sankyo Co Ltd v. Malvinder Mohan Singh & Ors*<sup>11</sup>. The Corporate Debtor was made a garnishee vide a separate order passed in the Daiichi proceedings. Consequently, according to the stay orders interim injunctions were passed against the Corporate Debtor in relation to its assets. In view of the same, the approved Resolution Plan would be implemented once the stay orders are vacated or modified to allow such implementation.

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<sup>11</sup> OMP (EFA)(COMM.) 6/2016



# COMPANIES ADMITTED TO INSOLVENCY IN APRIL 2021

## Companies admitted to insolvency

#	Name of Corporate Debtor	NCLT Bench	Industry
1	Metro Management Services Pvt Ltd	New Delhi	<b>Services</b> Involved in the business of providing legal, accounting, book-keeping and auditing services, tax consultancy, management consultancy, etc
2	ALM Metals and Alloys Ltd	Ahmedabad	<b>Manufacturing</b> Manufactures aluminum ingots from aluminum scraps, for use in the automobile industry.
3	Famous Tradeline Pvt Ltd	Ahmedabad	<b>Trading</b> Involved in the trading business.
4	Hema Engineering Industries Ltd	New Delhi	<b>Manufacturing</b> Manufacturing and distributing automobile equipment.
5	Saha Infratech Pvt Ltd	New Delhi	<b>Real Estate</b> All activities related to real estate business.
6	Simandhar Broking Ltd	Ahmedabad	<b>Services</b> The company is involved in activities auxiliary to financial intermediation, except insurance and pension funding.
7	Sachin Electricals Pvt Ltd	New Delhi	<b>Electricity</b> Electrical contractor involved in offering services for the manufacturing, supplying, installation, testing, and commissioning of electrical projects.
8	Sintex Industries Ltd	Ahmedabad	<b>Textile</b> Business of supplying fabrics and yarns.
9	Sapphire Space Infracon Pvt Ltd	Mumbai	<b>Infrastructure</b> Involved in the construction and infrastructure development business.
10	Flora Dyeing House Pvt Ltd	New Delhi	<b>Textile</b> Involved in manufacturing, supplying, and export of knitted and hosiery garments.
11	Cleanopolis Energy Systems India Pvt Ltd	Guwahati	<b>Renewable Energy</b> Business of generating electricity and manure from bio-mass waste.

12	<b>Auromatrix Hotels Pvt Ltd</b>	Chennai	<b><u>Services</u></b> Services in management, sales & marketing, interior designing, and administration services to organizations running hospitality business.
13	<b>Selathaar Tanning Industries Pvt Ltd</b>	Chennai	<b><u>Leather</u></b> Involved in tanning and dressing of leather goods.
14	<b>Coracias Projects Pvt Ltd</b>	New Delhi	<b><u>Infrastructure</u></b> Provides turnkey corporate interiors, cold storage facilities, MEP (mechanical and electrical plumbing), and infrastructure services to corporate enterprises.
15	<b>Namratha Power Pvt Ltd</b>	Cuttack	<b><u>Electricity</u></b> Involved in the business of collection and distribution of electricity.
16	<b>Metro Builders Orissa Pvt Ltd consolidated CIRP with Metro Builders Pvt Ltd</b>	Cuttack	<b><u>Real Estate</u></b> Involved in real estate business including but not limited to hospitality, retail, infrastructure. It also provides tours & travels services, security services, etc.
17	<b>ANR International Pvt Ltd</b>	New Delhi	<b><u>Petrochemicals</u></b> The company is engaged in the business of supplying petrochemical products, plasticizer chemicals, phthalic anhydride, etc.
18	<b>Ansal Lotus Melange Projects Pvt Ltd</b>	New Delhi	<b><u>Real Estate</u></b> Engaged in real estate construction.
19	<b>Claro Energy Pvt Ltd</b>	New Delhi	<b><u>Renewable Energy</u></b> Offers solar-powered water pumping solutions to meet irrigation and drinking water needs in off-grid rural areas.
20	<b>Kay Em Copper Pvt Ltd</b>	New Delhi	<b><u>Manufacturing</u></b> Manufacturing iron and steel and products thereof.
21	<b>Simova India Lifesciences Pvt Ltd</b>	New Delhi	<b><u>Healthcare</u></b> Involved in providing health care facilities.
22	<b>T2T Designs Pvt Ltd</b>	Chennai	<b><u>Services</u></b> Interior infrastructure solutions provider offering its services from design assistance to turnkey execution.
23	<b>Telstar Industries Pvt Ltd</b>	Ahmedabad	<b><u>EPC</u></b> Specializes in development of engineering & construction projects, integrated process equipment, and providing GMP consultancy solutions.
24	<b>Thai Summit Autoparts India Pvt Ltd</b>	Chennai	<b><u>Manufacturing</u></b> Involved in manufacturing and distribution of automobile parts throughout Asia.
25	<b>Udaipur Entertainment World Pvt Ltd</b>	Mumbai	<b><u>Services</u></b> The company provides community, personal & social services.
26	<b>Yashodeep Infrastructure Pvt Ltd</b>	Mumbai	<b><u>Services</u></b> Provides civil engineering and construction and allied services.

## Companies directed to be liquidated

#	Name of Corporate Debtor	NCLT Bench	Industry
1	Abra Motors Pvt Ltd	Chennai	<b>Trading</b> Trading of automobiles.
2	Avadh Fibres Pvt Ltd	Ahmedabad	<b>Agriculture</b> Engaged in agriculture business.
3	Duckbill Drugs Pvt Ltd	Kolkata	<b>Manufacturing</b> Manufacturing of medicines.
4	Otto Projects Pvt Ltd	Kolkata	<b>Services</b> Provides civil engineering and construction and allied services.
5	Palav Synthetics Pvt Ltd	Ahmedabad	<b>Textiles</b> Manufacturing, export, and distribution of fabrics, included but not limited to net brass shaded fabrics, chiffon padding fabrics, etc.
6	Royal Refinery Pvt Ltd	Mumbai	<b>Metals</b> Producing and processing non-ferrous metal products.
7	Supreme (India) Impex Ltd	Ahmedabad	<b>Textiles</b> Manufacturing and export of textiles
8	Unity Infra Projects Ltd	Mumbai	<b>Services</b> Provides civil engineering and construction and allied services.
9	Vajram Spinning Mills Pvt Ltd	Chennai	<b>Textiles</b> Manufacturing and trading of textile materials
10	R. A. Samy Trading Pvt Ltd	Chennai	<b>Trading</b> Engaged in trading business.
11	Padmaadevi Sugars Ltd	Chennai	<b>Manufacturing</b> Manufacturing and trading of sugar.
12	M/s Abra Motors Private Limited.	Chennai	Abra Motors Private Limited is in the business of trading automobiles.
2	Avadh Fibres Pvt. Ltd.	Ahmedabad	The company is engaged in agriculture business.
3	Udaipur Entertainment World Pvt Ltd	Mumbai	<b>Services</b> The company provides community, personal & social services.
4	Yashodeep Infrastructure Pvt Ltd	Mumbai	<b>Services</b> Provides civil engineering and construction activities..



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