

Restructuring & Insolvency

Monthly Newsletter

July 2022

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STATUTORY UPDATES

Report of the Insolvency Law Committee, May 2022

- The Insolvency Law Committee published its report on May 20, 2022 and has recommended the following amendments:
- **Mandating reliance on Information Utilities (IUs) for establishing default**
 - The Insolvency Law Committee (ILC) report has recommended that Financial Creditors (FCs) that are financial institutions and such other FCs notified by the Central Government, should submit IU-authenticated records alongside their Section 7 application to establish default. This is done to expedite the disposal of the application to initiate Corporate Insolvency Resolution Process (CIRP).
 - In matters where such authenticated reports are unavailable and for all other FCs, the existing system of relying on different documents for establishing default would remain applicable. The report also recommends that Operational Creditors (OCs) would be mandated to rely on IU records to establish default in due course.
- **Exemptions from the scope of the moratorium**
 - The ILC, after reading Section 14(1) with Section 14(3)(a) of the IBC, opined that the power of the Central Government to grant exemptions under Section 14(3)(a) of the IBC only applies to transactions, agreements, or arrangements and not legal proceedings or actions.
 - The ILC reiterated the importance of moratorium and held that it as an essential feature of Insolvency and Bankruptcy Code, 2016 (IBC) for ensuring that ‘the assets of the corporate debtor are kept together during the CIRP, and the corporate debtor is continued as a going concern, thus facilitating value maximization and orderly completion of the CIRP’.
 - After analyzing the importance of moratorium, the ILC has recommended that the power to grant exemptions under Section 14(3)(a) should be exercised in exceptional circumstances. The idea behind such recommendation is to ensure smooth conduction of the CIRP and should be relaxed only when found necessary from the implementation of the IBC.
- **Continuation of proceedings related to avoidable transactions and improper trading post completion of CIRP**
 - **Independence of proceedings for avoidance of transactions and improper trading:** The ILC discussed the lack of clarity in interpretation and application of Section 26 and recommended that a clarificatory amendment should be made to the provision to explain that the continuation of proceedings for avoidable transactions or improper trading is not affected by the completion of CIRP proceedings. The ILC further recommended that Section 26 should be amended harmoniously with the 2020 report to specifically include proceedings related to improper trading.
 - **Jurisdiction of the Adjudicating Authority to adjudicate the Avoidance Application after the approval of the Resolution Plan:** The ILC, after a combined reading of Sections 60 and 26 of the IBC, concluded that the jurisdiction of NCLT extends to the disposal of proceedings

and is not limited to a question of law. Therefore, Section 60 need not be amended in this regard.

- **Manner of conducting avoidance proceedings after conclusion of CIRP:** The ILC has recommended the following amendments with respect to Resolution Plans:
 - The Resolution Plan should be mandated to specify the manner in which proceedings for avoidable transactions and wrongful trading are to be undertaken in case they are to be continued post approval of the plan.
 - The Resolution Plan should also specify the manner in which expected recoveries are to be distributed alongside the preservation of claims of expected beneficiaries, if such preservation is required. While giving the final orders in proceedings for avoidable transactions and wrongful trading, the NCLT should respect the decision of the CoC with respect to the manner of distribution of expected recoveries.
- **Change in threshold date for look-back period:** The ILC recommended that the threshold date for the look-back period for avoidable transactions should be revised to be the date of filing of application for initiation of CIRP ('initiation date'). The ILC further suggested that the look-back period would also include transactions from the initiation date until the insolvency commencement date. Hence, appropriate amendments should be made in Sections 43, 46 and 50. The IBC should also be amended to clarify that where multiple CIRP applications have been filed, the initiation date would refer to the date of filing of the first CIRP application.

▪ **Curbing the submission of unsolicited resolution plans and revisions of resolution plans**

- The ILC noted that despite the regulations' providing for stage-wise timelines, in a number of cases, the resolution professional receives resolution plans after the established deadlines. Revisions are made to submitted resolution plans in an attempt to outbid other potential resolution applicants. On certain occasions, additional resolution plans are submitted beyond the deadline provided in the Request for Resolution Plan (**RFRP**), either for the first time or as a revision of a plan already submitted. Such resolution plans are submitted on an unsolicited basis without the consent of the resolution professional or the CoC and such practices lead to divergent practices leading to inconsistencies, delays, and lack of procedural sanctity. The ILC noted the significance of balancing the principles of value maximization and sanctity of the CIRP.
- Observing these divergent practices, the ILC recommended that the regulations should clearly lay down a mechanism for reviewing late submissions of resolution plans or revisions to resolution plans. Further, required amendments shall be made in the IBC to ensure that the prescribed procedure has due sanctity. The CIRP regulations may allow the CoC to opt for a Swiss challenge method for considering plans and revisions to plans submitted after the deadline provided in the RFRP. CIRP regulations and RFRP may require the CoC to specify number of revisions that are permissible and the requisite timelines. The ILC also recommended that the CoC allow enough time for participants to submit resolution plans before the deadline.

▪ **Timeline for approval or rejection of resolution plan**

- The ILC noted that the delays in the disposal of Resolutions Plans submitted to the Adjudicating Authority are often caused due to a high number of objections to the proposed Resolution Plan, or due to a high degree of pendency of cases. Such delays in the processing of the resolution plan destroy value and deter potential resolution applicants from submitting plans.
- Hence, for the early disposal of the applications for approval or rejection of the Resolution Plan, the ILC has recommended that Section 31 should be amended to provide that Adjudicating Authority should approve or reject a Resolution Plan within 30 days of receiving it. This time period shall be subject to the time period specified for the completion of the CIRP in Section 12. Further, the Adjudicating Authority shall be required to record reasons in writing for cases where it has not passed an order approving or rejecting the Resolution Plan within the stipulated time.

▪ **Conflicts of interest with professionals**

- The ILC considered whether situations involving conflicts of interest between professionals hired by stakeholders in a CIRP should be regulated. It noted that the current laws offer a number of protections for this. A Code of Conduct is included in the First Schedule to the Insolvency and Bankruptcy Board of India (Insolvency Practitioners) Regulations, 2016, which govern insolvency professionals. Furthermore, in order to minimize any potential conflicts of interest, Regulation 27 of the CIRP Regulations specifies how registered valuers and other professionals shall be hired by the interim resolution professional or resolution professional.

- In view of the abovementioned provisions and the circular, the ILC came to the conclusion that no amendment to the IBC is necessary in this regard, at this juncture. Further disclosures of conflicts may be provided in subordinate legislation.
- **Standard of conduct for the CoC**
 - Under the IBC, the CoC has been granted extensive authority. It is entrusted with making significant decisions throughout the CIRP, including the resolving of the corporate debtor's distress. Therefore, improper conduct by CoC members has an effect on the corporate debtor's life and, as a result, its stakeholders.
 - Given this pivotal role of the CoC, the ILC has recommended that it would be suitable for the IBBI to issue guidelines providing the standard of conduct of the CoC while acting under the provisions governing the CIRP, pre-packaged insolvency resolution process and fast track insolvency resolution process. This may be in the form of guidance that provides a normative framework for conducting these processes. To enable the IBBI to issue such guidelines, Section 196 of the IBC may be appropriately amended. To develop a suitable enforcement mechanism for the standard of conduct, the MCA may confer with relevant financial sector regulators like SEBI and the RBI.
- **Statutory recognition of the Stakeholders Consultation Committee (SCC)**
 - The ILC discussed whether it was necessary to include the SCC's role and powers in the IBC. It was noted that the ILC had previously debated this matter in its 2020 Report and determined that the SCC had utility as an advisory body within the IBC's liquidator framework. However, no recommendations were deemed necessary to give statutory recognition to the SCC.
 - The ILC noted the fact that the SCC is a consultation body tasked with guiding the liquidator on a number of key decisions and the SCC has a clear structure provided by the legislation, and the practice of requesting consultations from the SCC is becoming more widespread. Hence, The ILC concluded that currently, there is no gap in the IBC requiring the need to statutorily encode enabling provisions for recognition of the SCC.
- **Contribution by secured creditors**
 - **Contribution towards workmen's dues:** The IBC provides the Secured creditors an option to avoid participating in the liquidation process by opting to realize their security interest externally rather than relinquishing it. According to the IBC, secured creditors who choose to exercise their security interest outside of the liquidation process are required to contribute towards CIRP costs. Furthermore, Workmen are key stakeholders of the corporate debtor and form the backbone of efforts to preserve the business of the corporate debtor, both before and during insolvency proceedings. Hence, the ILC has recommended mandating such secured creditors to contribute in workmen's dues in the same manner they would have if they had relinquished their security interest. Section 52(8) should be amended to state that where the secured creditor realizes its security interest outside the liquidation process, the amount payable towards the workmen's dues, as it would have shared in case it had relinquished its security interest, shall be deducted from the proceeds of such realization.
 - **Contribution towards expenses for security interest:** The ILC has also recommended that Section 52(8) should be amended to require a secured creditor, stepping out of the liquidation process, to pay the liquidator for any expenses incurred by her for the preservation and protection of the security interest before its realization.
 - **Consequences of non-compliance:** In cases of non-compliance by secured creditors, the ILC recommends that where a secured creditor fails to make the required contributions recommended above, its security interest should be deemed to be relinquished and made a part of the liquidation estate.
- **Operationalizing the IBC Fund**
 - The ILC opined that the current scheme of IBC fund under Section 224 of IBC does not incentivize contributions to it and provides limited ways of utilizing the said contributions.
 - As a result, the ILC has recommended to make appropriate amendments to Section 224 that would enable the Central Government to propose a detailed framework for contributing to and utilizing the IBC fund.
- **Termination of the Voluntary Liquidation Process (VLP)**
 - The ILC recommended that the IBC should contain a mechanism for terminating the VLP before dissolution. This would ensure that termination is not assumed on an ad hoc basis.
 - With respect to the mechanism for terminating the VLP, the ILC suggested that the procedure should be simple and not involve the NCLT. It recommended that the corporate person should pass a special resolution to terminate the VLP. In matters where the corporate person owes any debt to creditors on the date of such resolution, creditors

representing two-thirds of such debt should provide their approval. The liquidator must inform the IBBI and RoC that VLP is terminated within seven days of the necessary approvals. The VLP will be deemed to have been terminated on the date when the aforementioned information is provided to the RoC. This will also end the term of the liquidator.

▪ **Additional changes**

- **Appeal from orders under Section 220:** The ILC noted that there is no mechanism for appealing orders under Section 220 of the IBC and the persons affected have to invoke the writ jurisdiction of the High Courts and Supreme Court which is inconvenient and time-consuming. Hence, the ILC has recommended that appropriate amendments must be made to the IBC to provide for a mechanism that allows for appealing orders under Section 220 issued by the IBBI and its disciplinary committee. The ILC further suggested that orders under Section 220 may be appealed before the NCLAT as well.
- **Scope of subordinate legislation:** The ILC noticed that the power under Section 239(1) and 240(1) of IBC is limited to authorizing the making of subordinate legislation for implementing the 'provisions' of IBC. It restricts the making of subordinate legislation that will fill the gaps in IBC that are not envisioned by the provisions of the IBC. The ILC also noticed that the word 'purposes' provides wider power to the Central Government and other regulatory bodies as compared to 'provisions' for legislating on matters that were not envisaged when the legislation was enacted. In view of this, the ILC has recommended that Section 239(1) and 240(1) may be amended suitably to allow subordinate legislation making for carrying out the 'purposes' of IBC

Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) (Amendment) Regulations, 2022

- In exercise of the powers conferred by Clause (t) of Sub-Section (1) of Section 196 and Section 217 read with Section 240 of the Insolvency and Bankruptcy Code, 2016 (IBC), the Insolvency and Bankruptcy Board of India (IBBI) by way of notification dated June 14, 2022 amended the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017 (**Principal Regulations**).
- The following amendments have been introduced by way of the instant notification:
 - The existing Sub-Regulation (5) of Regulation 3 of the Principal Regulations has been substituted with 'A grievance or a complaint shall be filed with the Board on its dedicated portal www.ibbi.gov.in'. Therefore, the grievances can now be directly filed on the IBBI website.
 - Substitution in the short title of the existing Regulation 6 with 'Disposal of grievance by the Board'.
 - In terms of the amendment in Sub-Regulation (2) of Regulation 6 of the Principal Regulations, the number of days to submit additional information sought by IBBI under Sub-Regulation (1) of Regulation 6 has been reduced from fifteen to seven days. Further, a proviso has also been inserted to Sub-Regulation (2). By way of the said proviso, an additional time not exceeding seven days may be granted by the Board for submitting the information and records sought under Sub-Regulation (2) on the request of the service provider. In Sub-Regulation (3), for the words 'forty-five' the word 'thirty' has been substituted. Hence, the grievance shall now closed within 30 days instead of 45 days. Additionally, in Sub-Regulation (4), the Board shall now direct the service provider to redress the grievance within 'thirty' days instead of 'forty-five' days of its receipt if it requires any redress.
 - A new regulation by way of Regulation 6A has been inserted in the Principal Regulations. In terms of the said regulation, notwithstanding anything contained in Regulation 6, the Board can forward a grievance against an insolvency professional for disposal by the insolvency professional agency of which he is a professional member. Further, on receipt of the grievance under Sub-Regulation (1), the insolvency professional agency will need to dispose of the grievance in accordance with its bye-laws and intimate the Board of the same within 30 days of receipt of grievance.
 - Lastly, the Sub-Regulation (7) of the Principal Regulations has been substituted with the following: '(7) Where the Board is of the opinion that there exists a prima facie case, it may issue a show cause notice under regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 or order an investigation under Chapter III of Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.'

Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2022

- In exercise of the powers conferred by Clause (t) of Sub-Section (1) of Section 196 and Section 217 read with Section 240 of the IBC, the IBBI vide notification dated 14.06.2022 introduced the following amendments to the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 (**Principal Regulations**).
 - A new definition in Regulation 2 Sub-Regulation (1), after Clause (l) has been inserted. The same reads as: 'Record of default' means the status of authentication of default issued in Form D of the Schedule
 - By way of newly inserted Sub-Regulation 1A to Regulation 20 of the Principal Regulations, the IBBI has made it mandatory for any financial or operational creditor to file the information of default, with the information utility before filing any application under Section 7 or 9 of the IBC.
 - Substitution of the existing short title of the Regulation 21 i.e., 'Information of default' with 'Authentication of default'
 - Further, in Sub-Regulation (2), in Clause (c), for Sub-Clause (ii) of the Principal Regulation 21, the following has been inserted: '(ii) recorded with MCA 21 and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (**CERSAI**) registry as repositories or any other statutory repository as approved by the Board, failing which...'
 - Substitution of Sub-Regulation (8) of Regulation 41 of the Principal Regulation with the following – '(8) The disciplinary proceedings shall be conducted in accordance with the provisions of the IBBI (Inspection and Investigation) Regulations, 2017'
 - In the Principal Regulations, in the Schedule, in Form C, in Para 87 under the heading 'Debt' after Clause 'e', the following clause shall be inserted, namely: 'f. document showing latest acknowledgment of debt by the debtor'
 - Insertion of Form D in the Principal Regulations, in the Schedule, after Form C for record of default i.e. for the status of authentication of default

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022

- In exercise of the powers conferred by Clause (t) of Sub-Section (1) of Section 196 and Section 217 read with Section 240 of the IBC, the IBBI vide notification dated June 14, 2022 introduced the following amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (**CIRP Regulations**).
- By way of Regulation 2B, the IBBI has now created a mandate upon the Operational Creditors to furnish copies of relevant extracts of Form GSTR - 1 and Form GSTR - 3B filed under the provisions of the relevant laws relating to GST and the copy of e-way bill wherever applicable, along with application under Section 9 of the IBC. However, this Regulation shall not apply to those operational creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax.
- In terms of the newly inserted Regulation 2C, the Financial Creditor or Operational Creditor, as the case maybe, while filing an application to initiate the CIRP, will also be required to furnish details of his/its Permanent Account Number and Email-ID.
- In the Principal Regulations, in Regulation 4, after Sub-Regulation (1), the following Sub-Regulations shall be inserted, namely:
 - '(2) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall provide the information within such time and in such format as sought by the interim resolution professional or the resolution professional, as the case may be.*
 - '(3) The creditor shall provide to the interim resolution professional or resolution professional, as the case may be, the information in respect of assets and liabilities of the corporate debtor from the last valuation report, stock statement, receivables statement, inspection reports of properties, audit report, stock audit report, title search report, technical officers report, bank account statement and such other information which shall assist the interim resolution professional or the resolution professional in preparing the information memorandum, getting valuation determined and in conducting the corporate insolvency resolution process'.*
- In Sub-Regulation (2) of Regulation 7 of the CIRP Regulations, in Clause (b), after Sub-Clause (iv), the following sub-clause shall be inserted, namely:

‘(v) copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable:

Provided that provisions of this sub-clause shall not apply to those creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax’.

- Substitution of the following clause in place of Clause (b) Sub-Regulation (1) of Regulation 35 of the CIRP Regulations: the Resolution Professional may appoint a third registered valuer for an asset class for submitting an estimate of the value computed in the manner provided in clause (a) if the two estimates of a value in an asset class are significantly different, or on receipt of a proposal to appoint a third registered valuer from the committee of creditors. (The explanation provided for the purpose of Clause (b) is as under - (i) ‘asset class’ - the definition provided under the Companies (Registered Valuers and Valuation) Rules, 2017; (ii) “significantly different” is a difference of twenty-five per cent. in liquidation value under an asset class and the same shall be calculated as $(L1-L2)/L1$, where, L1= higher valuation of liquidation value L2= lower valuation of liquidation value).
- By way of insertion of the Sub-Regulation (4) in Regulation 35A of the Principal Regulations, the creditors will now be required to provide to the RP, relevant extract from the audits of the corporate debtor, conducted by the creditors such as stock audit, transaction audit, forensic audit, etc.
- By way of insertion of the Sub-Regulation (3A) in Regulation 36 of the Principal Regulations, it has now become mandatory for the creditors to provide to the RP the latest financial statements and other relevant financial information of the corporate debtor available with them.
- Lastly, the newly inserted Clause (d) in the Sub-Regulation (2) of Regulation 38 of the Principal Regulation provides for the procedure to continue proceedings pertaining to fraudulent or wrongful trading under Chapter VI of Part II of the IBC after the Resolution Plan has been approved. This clause will not apply to any Resolution Plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or before the date of commencement of the IBBI (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022.

Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) (Amendment) Regulations, 2022

- The IBBI by way of notification dated July 04, 2022 introduced amendments to Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) (Amendment) Regulations, 2016 (**Principal Regulations**).
- By way of the said amendment, the disciplinary proceedings under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016, has been substituted and will now be conducted in accordance with the provisions of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2022

- In exercise of the powers conferred by Clause (t) of Sub-Section (1) of Section 196 and Section 217 read with Section 240 of the IBC, the IBBI introduced amendments to Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2016 (**Principal Regulations**). These regulations shall be called the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2022.
- The disciplinary proceedings under Regulation 11 of the Principal Regulations, has been removed and will now be conducted in accordance with the provisions of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.
- The following additions have been made to the First Schedule of the principal regulations:
 - **Clauses 8B and 8C:** the insolvency professional is mandated to disclose his or the other professionals engaged by him the relationship, if any, with himself, the corporate debtor, financial creditor, interim finance provider and the prospective resolution applicant, to the insolvency professional agency within the specified time period. Furthermore, an explanation has been provided to clear the meaning of ‘relationship’ with respect to these clauses.

- **Clause 8D:** an insolvency professional shall ensure that the disclosures by him and the other professionals have been made timely and correctly and provide a confirmation that the appointment of every other professional has been made at an arm's length basis.
- **Clause 15A:** The name, address, email address, registration number, and any authorization for assignment that has been provided by the insolvency professional agency of which he is a member must be clearly shown in all communications from an insolvency professional to a stakeholder.
- **Clause 25B:** An insolvency professional must raise invoices or bills in his name for his fees, which must be paid to him via the banking channel.
- **Clause 25C:** An insolvency professional must ensure that insolvency professional entity or other professionals engaged by him raises their invoices or bills in their own name for their fees, which must be paid to them via the banking channel.
- **Clause 27A:** While taking on an assignment or carrying out a procedure, an insolvency professional is required to use reasonable care and diligence and take all necessary steps to ensure that the corporate person complies with the applicable laws.
- **Clause 27B:** While conducting the insolvency resolution process, fast track insolvency resolution process, liquidation process, or voluntary liquidation under the Code, an insolvency professional shall not include any amount towards any loss, including penalty, if any, in the insolvency resolution process cost or liquidation cost, incurred on account of non-compliance with any provision of the laws applicable on the corporate person.

Insolvency and Bankruptcy of India (Inspection and Investigation) (Amendment) Regulations, 2022

- The IBBI vide notification dated June 14, 2022, introduced the following amendments to the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 (**Principal Regulations**).
 - In Regulation (2) Sub-Regulation (1), in Clause (i) the word 'and' shall be omitted and in Clause (j) after the 'information utility', the fullstop shall be replaced with a colon, and new Sub-Clause 'k' shall be inserted, namely: '(k) "stakeholder" means a stakeholder as defined in clause (j) of sub-regulation (1) of regulation 2 of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017'.
 - The term 'clients' shall be substituted with 'stakeholders' wherever it occurs.
 - In the Principal Regulations, in Regulation 10, (i) in Sub-Regulation (1), for the words 'a copy of the draft investigation report' the words 'the investigation report' shall be substituted; and in Clause (ii) in sub-regulation (2) the word 'draft' wherever it occurs shall be omitted
 - After Chapter III, Chapter III-A - Investigation During Disposal of Complaint or Grievance and Chapter III-B - Interim Order on Material Available On Record shall be inserted.
 - Clause 10A (Investigation during disposal of complaint or grievance chapter III) inserted by way of the newly inserted Chapter III-A: It is a non-obstante clause which establishes the processing of a complaint or grievance or material available on record under the IBBI (Grievance and Complaint Handling Procedure) Regulations, 2017, as investigation under this regulation and in such a case, the processing papers stand for the investigation report under regulation 10. The proviso to the said clause states that nothing in this regulation shall restrict the Board to appoint an inspecting authority under Chapter-II or an investigating authority under Chapter-III.
 - Clause 10B (Interim order on material available on record) inserted by way of the newly inserted Chapter III-B: If the Board is satisfied that prima facie violation of the provisions of the code by the service provider exists, and an immediate action is warranted the Board shall refer the matter to the Disciplinary Committee. On consideration of the matter the disciplinary committee may pass an interim order. The said interim order shall lapse on expiry of ninety days from the date of the order.
 - In the Sub-Regulation (2) of Regulation 11, after the words 'sub-regulation (1),' the words, 'or on the basis of material otherwise available on record' shall be inserted.
 - In the Principal Regulations, in Regulation 12, in Sub-Regulation (1), for Clause (d), the following clause shall be substituted, namely: '(d) the provisions of the Code, rules, regulations and guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;'
 - In the Principal Regulations, in Regulation 12, in Sub-Regulation (1) Clause (e), the word 'and' shall be omitted

- In the Principal Regulations, in Regulation 12, in Sub-Regulation (1), after Clause (f), the following clauses shall be inserted, namely: (g) the manner in which service provider is required to respond to the show cause notice; and (h) consequences of failure to respond to the show-cause notice.
- In Regulation 12, in Sub-Regulation (3) for the words and figures 'at least 21', the words 'fifteen' shall be substituted.
- Regulation 12, Sub-Regulation (6) shall be substituted with direction for service of the show cause notice upon the service provider in electronic form at the email address provided to the Board and a copy shall be sent by registered post.
- Regulation 13, Sub-Regulation (2) amends the timeline to thirty-five days from previously granted one hundred and eighty days for disposing off the show cause notice from the date of issue. Further, Clause (b) shall be inserted to Regulation 13, Sub-Regulation (3) allowing suspension or cancellation of authorization for assignment of an insolvency professional under Sub-Regulation (1) of Regulation 13.
- The amended Sub-Regulation (5) of Regulation 13 directs the order passed under Sub-Regulation (1) to be served upon the service provider in an electronic form and be published on the website of the Board in case of an insolvency professional the same shall be served upon the insolvency professional agency.

Standard Operating Procedure for NCLT Cases

- On May 23, 2022, the Central Board of Indirect Taxes & Customs (CBIC) vide Instruction No. 1083/04/2022 released a notification laying out the following standard of procedure (SOP) to all Principal Chief Commissioners/ Chief Commissioners of Customs as well as CGST for the NCLT cases in respect of IBC:
 - The Additional Director General, DGPM is appointed as the Nodal Officer who shall receive information regarding initiation of CIRP of a unit or a company from the IBBI. Accordingly, a dedicated email id to be accessed by the Nodal officer, shall be created.
 - JC/ADC (TAR), DGPM may be appointed by the Nodal Officer as alternate nodal officer for assisting him in his work.
 - The Nodal Officer shall disseminate the information received by him, through official email' to all Zonal Pr./Chief Commissioners within two working days.
 - A WhatsApp group shall also be created by the Nodal Officer which shall have ADC/JC concerned and the Pr. Commissioners/ Commissioners concerned as its members for expeditious dissemination of information.
 - In the event any arrears against the unit or a company are pending, the Commissioners shall file its claims on a timely basis and intimate about its filing to the Nodal Officer.
 - A daily exercise to check insolvency initiated against any new parties shall be undertaken from the IBBI website.
 - Correspondences regarding finalisation of the resolution plan should be made with the Resolution Professional.
 - Regular verification from the IBBI website shall be undertaken to confirm if any Orders were issued by NCLT with respect to resolution, liquidation, and/or withdrawal of application.
 - A monthly report of work done in terms of checking the public announcements, filing of claims, if any, liaisoning with CIRP for providing updates on cases shall be sent to the Nodal Officer by the ADC/JC. The SOP also provides a proforma for such monthly reports.
 - The Nodal officer shall submit a consolidated monthly report to the CBIC for the purpose of review of action taken by the field formations.
- Considering the inordinate delay in filing of claims by Customs and GST authorities beyond the stipulated timeline of ninety days from the insolvency commencement date, thereby leading to extinguishment of their claims upon approval of a resolution plan, the SOP aims to ensure avoidance of delays in filing of claims and in timely realisation of the government dues, by providing clarity in respect of appointment of Nodal Officer and its functions.



RECENT JUDGMENTS

Alok Sharma v. I.P Constructions Pvt Ltd

NCLAT | Judgment dated June 14, 2022, Company Appeal (AT) (Insolvency) No 350 of 2020

Background facts

- The purchasers of commercial space (**Allottees**) had invested in the real estate project of IP Constructions Pvt Ltd (**Corporate Debtor**) in 2013 and the Corporate Debtor gave them possession in 2015. They continuously paid the electricity and parking charges to the Corporate Debtor.
- The Corporate Debtor underwent CIRP vide order dated January 11, 2019. Mr. Alok Sharma (**Appellant**), the authorized representative of the Allottees, had stated that the Allottees were given possession without completion of fit-out works and they spent their own monies to complete the same. They requested the Corporate Debtor to execute the sale deed in their favor. The Allottees had released all the payment w.r.t commercial spaces and a few had also paid registration charges for execution of the sale deed since 2015.
- The Allottees approached the IRP after they learnt about the initiation of CIRP of the Corporate Debtor. However, the RP maintained silence over the non-registration of sale deed without disputing that they were in possession of the units since 2015 without any registration. The Committee of Creditors (CoC) decided in its 7th meeting that the decision of execution of sale deed shall be decided by the Successful Resolution Applicant.
- Consequently, the Allottees filed an application before the NCLT which was dismissed vide order dated January 16, 2020 (**Impugned Order**). The NCLT rejected such application on the ground that since the Corporate Debtor is undergoing CIRP, the Resolution Professional is not expected to create rights in favor of somebody and is required to maintain status quo until resolution plan is approved or liquidation is recorded.
- Aggrieved, the Appellant has filed an appeal before the NCLAT under Section 61(1) of the IBC against the Impugned Order.

Issue at hand?

- Whether the registration of sale deed of commercial spaces allotted to the Allottees will violate 'Moratorium' under Section 14 of the Insolvency and Bankruptcy Code?

Decision of the Tribunal

- The NCLAT allowed the Appeal preferred by Appellant and observed that moratorium applicable under Section 14(1)(b) of IBC is on transferring of any assets of the Corporate Debtor and since the Revenue from sale of constructed spaces/houses under a real estate project would be

accounted as 'Revenue from operations' under Schedule III, Part-II of the Companies Act, 2013, the moratorium under Section 14 shall not be applicable.

- The NCLAT also held that the registration of these houses is a 'procedural requirement' in case of a 'Real Estate Company' as the appellants are already in possession of the spaces from 2015 and CIRP was initiated in 2019.
- While arriving at this decision, NCLAT referred to the decisions of *Bikram Chatterjee & Ors v. Union of India & Ors*¹ and *Flat Buyer's Association Winter Hills - 77 Gurgaon v. Umang Realtech Pvt Ltd*² and *Pioneer Urban Land and Infrastructure Ltd & Anr v. Union of India & Ors*³ for elaborating the purposive interpretation and to hold that the rights of home buyers cannot be affected adversely in the Corporate Insolvency Resolution Process and their interest is to be appropriately preserved and protected within the parameters of the IBC.
- While setting aside the Impugned Order, it has directed the Resolution Professional to execute the sale deed after collecting the remaining 'Dues and Costs', if any, including 'Cost of Registration', 'Penalty' and 'other incidental costs'.

HSA

Viewpoint

This decision is another step in the right direction towards protecting the rights and interests of the homebuyers who have invested their large sum of monies and have suffered due to the initiation of CIRP of any such debtor despite having made majority of the payments to the builder.

Jaipur Trade Expocentre Pvt Ltd v. Metro Jet Airways Training Pvt Ltd

NCLAT | Judgment dated July 05, 2022, Company Appeal (AT) (Insolvency) No 423 of 2021

Background facts

- Jaipur Trade Expocentre Private Limited (**Appellant**) entered into a license agreement (**Agreement**) with Metro Jet Airways Training Private Limited (**Respondent**) granting it a license to use a building for business purposes. The license fee was agreed at INR 4,00,000 plus government taxes on a monthly basis.
- The Respondent made payment towards the license fee through 2 cheques dated May 07, 2018 and September 08, 2018. However, both were dishonored.
- The Appellant issued a notice to the Respondent under Section 8 of the IBC. However, the Respondent did not revert with any reply.
- Consequently, the appellant filed an application under Section 9 of the IBC before NCLT for initiating CIRP against the Appellant. The NCLT vide order dated March 04, 2020 dismissed the application for the initiation of the CIRP (**Impugned Order**) on the ground that the claim arising out of grant of license to use immovable property does not fall within the category of goods and services and hence, the amount claimed does not qualify as unpaid operational debt.
- Aggrieved, the Appellant filed an appeal before the NCLAT (**Tribunal**) against the Impugned Order. The two-member bench of NCLAT referred the questions in the appeal to a larger bench for consideration vide order dated March 7, 2022. The three-member bench, after hearing the parties, directed that the questions framed should be placed before a further larger bench vide order dated March 9, 2022.

Issue at hand?

- Whether claim of the Licensor for payment of License Fee for use and occupation of immovable premises for commercial purposes is a claim of 'Operational Debt' within the meaning of Section 5(21) of the Code?

Decision of the Tribunal

- NCLAT allowed the Appeal preferred by Appellant by overturning its judgements in *Ravindranath and Promila Taneja v. Surendri Design Pvt Ltd*⁴ (**Promila**) and held that claims towards unpaid 'License Fees' would constitute as operational debt under the IBC. The tribunal also observed that the term 'services' used under Section 5(21) has not been defined under the IBC and hence the court has to explain the meaning of the undefined expression.
- While arriving at this decision, NCLAT referred to the decisions of *Keshavlal Khemchand and Sons Pvt Ltd and Ors. v. Union of India & Ors*⁵ and *Anup Sushil Dubey v. National Agriculture Co-operative Marketing Federation of India Ltd & Anr*⁶.

¹ 2019 SCC SC 901

² CA(AT) (Ins) No. 926 of 2019

³ 2019) 8 SCC 41

⁴ 2020 SCC OnLine NCLAT 1105

⁵ (2015) 4 SCC 770

⁶ (2020) SCC OnLine NCLAT 674

- NCLAT also referred to clause 4(b) of the Agreement which states that the licensee is required to pay all government taxes including GST and since GST is paid only for goods and services, the tribunal concluded that the license is taxed for services.
- The tribunal also expounded on the meaning of 'operational debt' as debt incurred from the principal activities of the enterprise. Further, it took aid of the Bankruptcy Law Reforms Committee Report which clearly states that a lessor can be treated as an operational creditor.
- Further, NCLAT deliberated upon the factual circumstances of the matter and distinguished it from *Ravindranath's* case. It held that the case did not take into account the expansive meaning of the term 'service' used in Section 5(21) of the IBC and hence does not prescribe the correct law. The Tribunal also overturned *Promila* which held that the definition of 'service' under the Central Goods and Services Act, 2017 (**CGST**) cannot be used to interpret the expression 'Operational Debt' as it is not covered under Section 3(37) of the IBC.
- Finally, after observing the facts along with the provisions of the IBC, the tribunal concluded that where the Agreement itself stipulates payment of GST for services rendered, the meaning of 'service' under CGST can be referred to. Hence, the term 'service' includes license payments and claims for unpaid License Fees would qualify as operational debt under Section 5(21) of IBC.

HSA **Viewpoint**

This judgment clarifies a long pending issue which had become quite vexed on account of the conflicting judgments of the NCLAT. It is now settled that the claim of the Licensor for payment of License Fee for use and occupation of immovable premises for commercial purposes is a claim of 'Operational Debt'

Vidarbha Industries Power Ltd v. Axis Bank Ltd

Supreme Court | Judgment dated July 12, 2022, Civil Appeal No 4633 of 2021

Background facts

- Through an international competitive bidding process conducted by the Maharashtra Industrial Development Corporation (**MIDC**), Vidarbha Industries Power Limited (**Corporate Debtor**), the Appellant herein, was awarded the contract for implementation of a Group Power Project (**GPP**). The GPP was later converted into an Independent Power Project (**IPP**). In furtherance of the same, by an order dated 20th February 2013, the Maharashtra Electricity Regulatory Commission, hereinafter referred to as 'MERC', approved a Power Procurement Agreement (**PPA**) between the Appellant and Reliance Industries Limited (**RIL**) and pursuant to the same the Appellant started to supply power to Reliance Industries Limited.
- Thereafter, in view of, inter alia, the increase in fuel costs, consequential to the rise in the cost of procuring coal for the purpose of running the power plant, the Appellant filed an application before the MERC for truing up the Aggregate Revenue Requirement and for determining tariff in terms of MERC (Multi Year Tariff) Regulation 2011. The MERC disposed of the same vide order dated June 20, 2016 wherein a significant portion of the actual fuel costs claimed, was disallowed for the FYs 2014-15 and 2015-16 and tariff was capped for FYs 2016-17 to 2019-20.
- The Appellant filed an appeal before the Appellate Tribunal for Electricity (**APTEL**) challenging disallowance of the actual fuel cost for the FYs 2014-15 and 2015-16. APTEL allowed the appeal vide order dated November 3, 2016. MERC filed an appeal before the Supreme Court challenging the APTEL order which remains sub-judice as on date.
- In the interregnum, Axis Bank Limited (**Respondent**) filed an application under Section 7 of IBC before NCLT for initiation of CIRP against the Appellant. Challenging such application, the Appellant filed a Miscellaneous Application (**MA**) seeking stay of proceedings under Section 7 of IBC till the Civil Appeal filed by the MERC remains pending.
- The NCLT dismissed the MA vide order dated January 29, 2021 (**Impugned Order**) and refused to stay the CIRP proceedings. The NCLT disposed of the application seeking stay of the CIRP on the ground that '...no other extraneous matter should come in the way of expeditiously deciding a Petition either under Section 7 or under Section 9 of the Code.' It further observed that the Adjudicating Authority is only required to see if there is a debt and the Corporate Debtor (CD) has defaulted in making repayments to initiate CIRP.
- Aggrieved, the Appellant filed an appeal before the NCLAT against the Impugned Order. However, the NCLAT dismissed it vide order dated March 2, 2021 and upheld the Impugned Order of the NCLT. Consequently, the Appellant filed an appeal before the Hon'ble Supreme Court (SC) against the decision of the NCLAT and NCLT.

Issue at hand?

- Whether the provisions of Section 7(5)(a) of the IBC are mandatory or discretionary?

Decision of the Tribunal

- The Supreme Court allowed the appeal filed by the Appellant and held that the power of the NCLT to admit an application under Section 7(5)(a) is discretionary and not mandatory. While arriving at the same, the Supreme Court observed and held as under:

- As regards to the fact of the instant case, the Supreme Court was of the opinion that the NCLT while deciding an application under Section 7 of the IBC cannot disregard the fact that the amount receivable by the Corporate debtor in terms of the award granted by the MERC is far more than the principal outstanding amount of the Financial Creditor. It further observed that the presence of a debt and a default only gave the Financial Creditor the right to apply for initiating CIRP. However, since the initiation of CIRP of any entity causes major impediment to its overall existence, the NCLT is required to apply its mind to ‘relevant factors’ before admitting an application and not only consider the default.
- As regards to understand the nature of Section 7(5)(a) of the IBC, the Supreme Court elaborated upon the usage of the expression ‘may’ under Section 7(5)(a) of the IBC and observed that it confers ‘discretion to admit’ as opposed to ‘shall’ which advances a ‘mandatory requirement’. The SC differentiated between the use of the words ‘may’ and ‘shall’ as used in Sections 7(5)(a) and 9(5)(a) of the IBC respectively and held that the expression ‘may admit’ confers discretion to admit in contrast to the use of the word ‘shall’, that postulates mandatory requirements.
- The SC also emphasised on the well settled rule of literal interpretation and purposive interpretation of statutes and observed that had it been the legislative intent that Section 7(5)(a) of the IBC should be a mandatory provision, Legislature would have used the word ‘shall’ and not the word ‘may’. There is no ambiguity in Section 7(5)(a) of the IBC. Purposive interpretation can only be resorted to when the plain words of a statute are ambiguous or if construed literally, the provision would nullify the object of the statute or otherwise lead to an absurd result.
- The Supreme Court referred to the decisions of *Lalita Kumari v. Government of Uttar Pradesh*⁷, *Hiralal Rattanlal v. State of Uttar Pradesh*⁸ and *B. Premanand v. Mohan Koika*⁹, and held that If Section 7(5)(a) of the IBC is construed literally the provision must be held to confer a discretion on the Adjudicating Authority (NCLT).
- In view of the above, the Supreme Court held that it is certainly not the object of the IBC to penalize solvent companies, temporarily defaulting in repayment of its financial debts, by initiation of CIRP. Section 7(5)(a) of the IBC, therefore, confers discretionary power on the Adjudicating Authority (NCLT) to admit an application of a Financial Creditor under Section 7 of the IBC for initiation of CIRP.

HSA

Viewpoint

This judgment is certainly a double-edged sword. It may appear to be a ray of hope to the debtors against whom lenders have filed applications for initiation of the CIRP, while such debtors hold the capacity to repay their outstanding amounts and are only unable to do so due to certain outstanding amounts that remain pending from a third party. On the contrary, this decision might cause great prejudice to creditors as they will now be faced with this argument in every other case, and the admission of each case will be contingent on receipt of monies from third parties.

⁷ (2014) 2 SCC 1

⁸ (1973) 1 SCC 216

⁹ (2011) 4 SCC 266



RECENT DEALS

Resolution of Phadnis Resorts and Spa India Ltd

- The NCLT, Mumbai Bench, vide an order dated July 08, 2022 approved the Resolution Plan submitted by Elysia Hospitality LLP, the Successful Resolution Applicant, in the CIRP of Phadnis Resorts and Spa India Ltd, the Corporate Debtor.
- Vide order dated March 03, 2019, the NCLT, Mumbai Bench admitted the Company Petition filed by the Financial Creditor, i.e., Union Bank of India under Section 7 of the IBC and ordered for initiation of the CIRP of the Corporate Debtor.
- The Resolution Professional issued Form-G inviting Eols from Prospective Resolution Applicants. Pursuant to the public announcement, Eols was received from 1 Prospective Resolution Applicants and after numerous revisions of the Resolution Plan, the Committee of Creditors (CoC) approved the revised Resolution Plan submitted by Elysia Hospitality LLP by 100% voting share.
- The Resolution Plan by Elysia Hospitality LLP provides for a total payment of INR 13 crore payable within 1277 days from the approval of the plan. A perusal of the plan suggests that only about 10 % haircut is being borne by the creditors.
- Pertinently, since the Corporate Debtor was involved in the hospitality business and is now being taken over by an entity operating in the same industry, the same will only help the Corporate Debtor to operate more efficiently.
- The NCLT, New Delhi Bench, vide an order dated November 23, 2021 approved the Resolution Plan submitted by Indian Ocean Group Pvt Ltd, the Successful Resolution Applicant, in the CIRP of Jharkhand Mega Food Park Pvt Ltd, the Corporate Debtor.



COMPANIES ADMITTED TO INSOLVENCY IN JUNE 2022

Companies admitted to insolvency

#	Name of Corporate Debtor	NCLT Bench	Industry
1	Future Speciality Medicare Pvt Ltd	Kolkata	<u>Services</u> The company is engaged in handling whole operational activity related to IPD and OPD. It is also involved other operational activities of maintenance, housekeeping, and security matters
2	Trident Sugars Ltd	Hyderabad	<u>Sugar</u> The company manufactures and supplies of various varieties of sugar
3	Assotech Milan Resorts Pvt Ltd	Cuttack	<u>Hospitality</u> The company is involved in providing short-stay accommodation
4	Nexus Health & Beauty Care Pvt Ltd	Kolkata	<u>Manufacturing/FMCG</u> The business is in the manufacturing of talcum powder which is made from talc mineral
5	Hindustan Controls & Equipment Pvt Ltd	Kolkata	<u>Manufacturing</u> The company is involved in the manufacturing of electrical equipment
6	Orchid Textiles Pvt Ltd	Chandigarh	<u>Textiles</u> The company is involved in manufacturing and trading textiles
7	Reliable Finance Corp Pvt Ltd	New Delhi	<u>Financial Services</u> The company is engaged in non-banking finance. It offers personal, home, education, and SME business loans
8	Maan Sarovar Properties Development Pvt Ltd	Chennai	<u>Construction</u> The company is involved in building of complete constructions or parts thereof and civil engineering
9	Gympac Ventures Pvt Ltd	Chennai	<u>Services</u> The company is involved in the business providing traditional fitness options and activities for older adults
10	Gwalior Distilleries Ltd	Indore	<u>Manufacturing/Alcohol</u> The company is involved in manufacture, supplier, and exporter of alcoholic beverages
11	Govindparva Agro Products Pvt Ltd	Mumbai	<u>Agriculture/Agritech</u> The company is involved in growing of crops, market gardening and horticulture
12	GMP Technical Solutions Pvt Ltd	Mumbai	<u>Pharmaceuticals/Healthcare</u> The company is involved in the cleanroom projects for pharmaceutical, semiconductors, biotechnology, medical devices, nanotechnology, aerospace, food processing, precision engineering, automobile, solar panel manufacturing, and optical manufacturing
13	L N Industries India Ltd	Hyderabad	<u>Manufacturing</u> The company is a manufacturer and deals in industrial chemicals including rubber chemicals and other allied products

14	Farmax India Ltd	Hyderabad	<u>Manufacturing/F&B</u> The company is in business of supplying unbranded rawa
15	Asia Telecom Pvt Ltd	New Delhi	<u>Manufacturing</u> The company is engaged in the machinery and equipment manufacturing activities across India
16	Ways Estates Ltd	Kolkata	<u>Real Estate</u> The company is engaged in the business of real estate and development of agricultural land at various places, organizes the sale of undeveloped agricultural land of different sizes
17	Bengal Emta Coal Mines Ltd	Kolkata	<u>Mining</u> The company line of business includes coal mining services.
18	BKS Leather Exports Pvt Ltd	Kolkata	<u>Leather</u> The company is involved in tanning, dressing of leather, manufacture of luggage handbags, saddle and harness.
19	Lindsay International Pvt Ltd	Kolkata	<u>Manufacturing /Misc</u> The company is engaged in engineering consumables, spare parts, and capital goods, as well as offers international trading, refractories, steel plant equipment, real estate, and textile products
20	Kumar Brother Enterprises Pvt Ltd	Kolkata	<u>Manufacturing</u> The company is involved in the business of water boring machine, solar power plant and solar inverter system
21	Beckon Industries Ltd	Chandigarh	<u>Manufacturing/Paper</u> The company is engaged in the manufacturing of paper and paper product
22	Victor Drop Forgings Pvt Ltd.	Chandigarh	<u>Manufacturing</u> The company is involved in manufacturing of design and specialize in vast range of spanners, wrenches, pliers, vices, hammers, automotive tools, and carpentry tools
23	Crest Steel UNA Pvt Ltd	Chandigarh	<u>Manufacturing</u> The company is involved in the manufacturing of fabricated metal products and metal working service activities
24	Gopal Ji Garments Pvt Ltd	Chandigarh	<u>Textiles</u> The company is involved in manufacturing of wearing apparel
25	Usher Eco Power Ltd	Mumbai	<u>Renewable Energy</u> The company is engaged in developing renewable energy project
26	Champion Agro Ltd	Ahmedabad	<u>Manufacturing/F&B</u> The company is a manufacturer of organic wheatgrass powder and farmvita organic wheatgrass powder
27	Sagar Autotech Pvt Ltd	Indore	<u>Fuel stations</u> The company is involved in retail sale of automotive fuel includes the activity of petrol filling stations, combined with sales of lubricating products, cleaning and all other kinds of products for motor vehicles
28	Jet Granito Private Ltd	Ahmedabad	<u>Manufacturing</u> The company is involved in the manufacture of non-metallic mineral products
29	GIT Textiles Manufacturing Ltd	Kolkata	<u>Textiles</u> The company is involved in manufacturing textiles business
30	Growmore Wealth Pvt Ltd	Ahmedabad	<u>Construction</u> The company is engaged in multiple businesses of construction, entertainment and hospitality
31	S T G Softek Private Ltd	New Delhi	<u>Services/IT/ITeS</u> The company is involved in software publishing, consultancy software, operating systems software, business and other applications software
32	Delco Infrastructure Projects Ltd	New Delhi	<u>Construction</u> The company provides residential construction services
33	DQ Entertainment (International) Ltd	Hyderabad	<u>Media</u> The company is involved in motion picture, radio, television and other entertainment activities
34	Leonard Exports Pvt Ltd	Kolkata	<u>Transportation Services</u> The company is involved in business related to road, river, and railway transportation services
35	Nigolice Trading Pvt Ltd	Kolkata	<u>Construction</u> The company is involved in the business activities related to additions to residential buildings, construction of residential buildings, on a fee or contract basis

36	Cookme (Spice) Pvt Ltd	Kolkata	<u>Manufacturing/F&B</u> The company is a leading manufacturer of spices, blended mix spices
37	Primuss Pipes & Tubes Ltd	Prayagraj	<u>Manufacturing</u> The company offers steel and PVC pipes, tabular poles, tubes, and other related products
38	RNV Hospitality Services Pvt Ltd	Prayagraj	<u>Services</u> The company is involved in the business of catering and undertaking home delivery services and providing lunch boxes to work-places
39	Avon Moldplast Ltd	Prayagraj	<u>Manufacturing/Furniture</u> The company is engaged in manufacturing of quality plastic molded furniture
40	Phular Construction Co. Pvt Ltd	Kolkata	<u>Construction</u> The company provides services in roadway construction, government works, vast experience in dam, barrage, weir, aqueduct, spillway, HLRCC bridges, minor bridges, railway project
41	Uthara Fashion Knitwear Ltd	Chennai	<u>Textiles</u> The company is involved in manufacture of wearing apparel, except fur apparel

Companies directed to be liquidated

#	Name of Corporate Debtor	NCLT Bench	Industry
1	Shristi Plywood Pvt Ltd	Chandigarh	<u>Manufacturing</u> The company is involved in the manufacturing of products of wood, cork, straw and plaiting materials
2	Prathyusha Resources & Infra Pvt Ltd	Amravati	Ship Building The company is involved in building and repair of ships and boats
3	Indo Biotech Foods Ltd	Mumbai	<u>Manufacturing/F&B</u> The company is engaged in the production, processing and preservation of meat, fish, fruit vegetables, oils and fats
4	Greendiamz Biotech Ltd	Ahmedabad	<u>Manufacturing</u> The company is the leading manufacturers of compostable garbage bag
5	BRS Enterprises and Trading Ltd	Hyderabad	<u>Misc.</u> The company is engaged in wholesale of non-agricultural intermediate products, waste and scrap products
6	Texon Global Pvt Ltd	Ahmedabad	<u>Manufacturing</u> The company is a manufacture of electronic valves, tubes and other electronic components
7	Shree Ambika Sugars Ltd	Chennai	<u>Sugar</u> The company offers white refined and polarized sugar, as well as ethanol and bagasse for energy sources
8	PKS Housing AND Developers Pvt Ltd	Kolkata	<u>Construction</u> The company is involved in the construction business
9	Sensitive Infra Pvt Ltd	Kolkata	<u>Real Estate</u> The company is involved in real estate activities with own or leased property
10	Prince Vitrified Pvt Ltd	Ahmedabad	<u>Manufacturing</u> The company is engaged in manufacture of non-metallic mineral products
11	Bajrang Cotgin Pvt Ltd	Ahmedabad	<u>Textiles</u> The company is engaged activities such as spinning, weaving and finishing of textiles
12	Tayal Foods Ltd	Cuttack	<u>Manufacturing/F&B</u> The company is involved in manufacture of grain mill products, starches and starch products, and prepared animal feeds
13	Maurya Manpower Services Pvt Ltd	Kolkata	<u>Services</u> The company is involved in the business activities related to labour recruitment, providing workers to factories, services by contractor, services by contractor of providing workers to factories

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