

Restructuring & Insolvency

Monthly Newsletter

July 2025

TABLE OF CONTENTS

STATUTORY UPDATES

- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025 dated May 19, 2025
- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2025 dated May 19, 2025
- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2025 dated May 26, 2025
- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025 dated July 04, 2025

RECENT JUDGMENTS

- Piramal Capital and Housing Finance Ltd (Formerly known as Dewan Housing Finance Corporation Ltd) v 63 Moons Technologies Ltd & Ors – Supreme Court
- Rakesh Arora & Anr v Acute Daily Media Pvt Ltd & Ors – NCLAT
- VPR Mining Pvt Ltd v Gajraj Mining Pvt Ltd – NCLAT, New Delhi
- Cosmos Co-operative Bank v CS Anaghaanasingaraju – NCLAT, New Delhi

RECENT DEALS

- Resolution of Topworth Urja & Metals Ltd
- Resolution of Premshree Prime Properties Pvt Ltd

COMPANIES ADMITTED TO INSOLVENCY IN THE MONTH OF JUNE 2025

- Companies admitted to insolvency

COMPANIES DIRECTED TO BE LIQUIDATED IN THE MONTH OF JUNE 2025

- Companies directed to be liquidated



STATUTORY UPDATES

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025 dated May 19, 2025

- The IBBI (Insolvency Resolution Process for Personal Guarantors for Corporate Persons) Regulations, 2016 (PG Regulations) have been amended to insert Regulation 17B to provide that in cases where no repayment plan has been prepared by the debtor under Section 105 of the Insolvency and Bankruptcy Code, 2016 (IBC), the Resolution Professional (RP) shall, with the approval of the Committee of Creditors (CoC), file an application before the Adjudicating Authority (AA) seeking appropriate directions. This provision has been introduced as prior to this there was ambiguity on the permissible course of action in the absence of a repayment plan.

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2025 dated May 19, 2025

- IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) have been amended to substitute Regulation 40B which provides for filing of forms by the Interim Resolution Professional (IRP) or the RP within the stipulated timelines. The amended regulations provide for filing of the following forms.

Form	Period covered and Scope	Timeline
CP-1	<u>Commencement of Corporate Insolvency Resolution Process (CIRP) till constitution of CoC.</u> Includes details of IRP, Corporate Debtor, public announcement, details of Authorised Representative (AR), claims, constitution of CoC, etc.	On or before 10 th day of next month, after filing of report of constitution of CoC before AA
CP-2	<u>Constitution of CoC till issue of Request for Resolution Plans (RFRP)</u> Includes details of RP, registered valuers, Information Memorandum (IM), expression of interest, RFRP and modifications thereof, etc.	On or before 10 th day of next month, after issuance of RFRP
CP-3A	<u>Details of Resolution Plan/ Liquidation/ Closure application filed with AA</u>	On or before 10 th day of next month, after filing

	Details of Resolution Applicants, its approval or rejection by the CoC, applications relating thereto filed with the AA, etc.	application with AA.
CP-3B	<u>Approval of Resolution Plan/ Liquidation/ Closure by AA</u> Details of order passed by the AA.	Within 7 days of disposal of application by AA.
CP-4	<u>Avoidance transactions reported to AA</u> Details of avoidance transactions, amount involved, date of reporting to AA, etc.	On or before 10 th day of next month, after filing of application with AA or disposal of application by AA.
CP - 5	<u>Monthly update</u> Updates on status of CIRP, CoC meetings, litigations, expenses incurred, etc.	On or before 10 th day of every month for the preceding month.

- In the event the IRP/ RP fails to file the above-mentioned forms or provides inaccurate or incomplete information or delays filing of the above form, the IBBI may take action as it may deem fit which may include refusal to issue or renew Authorisation for Assignment (AFA).

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2025 dated May 26, 2025

- The IBBI has made the following amendments in CIRP Regulations to enhance the efficiency of the IBC.
 - In order to provide the interim finance providers with better understanding and insight of the business operations of the Corporate Debtor and its funding needs, Regulation 18 of the CIRP Regulations has been amended to allow that the CoC to direct the RP to invite the providers of interim finance to attend as observers (without any voting rights), such CoC meetings as may be decided.
 - In order to reduce timelines and prevent erosion of assets, Regulation 36A(1A) has been inserted in the CIRP Regulations to provide that the RP may (with the approval of the CoC), invite resolution plans for the Corporate Debtor as a whole, or for sale of one or more assets of the Corporate Debtor or both. In order to maintain consistency, Regulation 36B(6A) providing for sale of assets of the Corporate Debtor in case no resolution plan was received, has been omitted.
 - In order to harmonise payments under a Resolution Plan with the provisions of the IBC and CIRP Regulations, proviso to Regulation 38(1)(b) has been inserted to provide that in the Dissenting Financial Creditors (DFCs) shall be paid pro rata and in priority over the assenting Financial Creditors (FCs) at each stage of payment under a Resolution Plan.
 - In order to enable the CoC to make informed decisions and make the process more transparent, Regulation 39(2) of the CIRP Regulations has been amended to mandate presentation of all resolution plans received for the Corporate Debtor, whether compliant or non-compliant, before the CoC.

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025 dated July 04, 2025

- By way of this amendment, the IBBI proposes the following amendments in Regulation 36 and 38 of the CIRP Regulations, respectively.
 - A resolution plan submitted by any resolution applicant shall only provide for assignment of avoidance transactions when they are disclosed in the IM and intimated to all PRAs before the last date of submission of resolution plans.
 - It has been made mandatory for the RP to disclose details of all identified avoidance transactions in the IM.



RECENT JUDGMENTS

Piramal Capital and Housing Finance Ltd (Formerly known as Dewan Housing Finance Corporation Ltd) v 63 Moons Technologies Ltd & Ors – Supreme Court

Judgment dated April 01, 2025 [Civil Appeal No. 1632-1634 of 2022 with other connect appeals]

Background facts

- These batch of appeals arise from common impugned order dated January 27, 2022 passed by the NCLAT, New Delhi in relation to the following:
 - Treatment of recoveries from avoidance application under the approved resolution plan submitted by Piramal Capital and Housing Finance Ltd. (PCHFL)
 - Payment to FD Holders/ NCD Holders under the approved resolution plan of PCHFL.
 - Approval of resolution plan; Right of the ex-promoters to attend CoC meetings and get a copy of the approved resolution plan; consideration and voting on the second settlement proposal submitted by ex-promoters.

Proceedings before NCLT

- On the basis of a Petition filed by RBI under Section 227 of the IBC, CIRP in respect of Dewan Housing Finance Corporation Ltd (DHFL) was initiated by the NCLT on December 03, 2019 and an administrator was appointed to perform the function of a RP under the IBC.
- The administrator received claims worth INR 82,247 Crores and constituted CoC for DHFL on December 24, 2019.
- The administrator also appointed Grant Thornton (GT) as transaction auditor for unearthing the transactions under Section 43 to 51 and 66 of the IBC and on the basis of the report submitted by GT, filed relevant applications before the NCLT involving total sum of INR 45,050/- Crores.
- During the process under the IBC, the RFRP prepared in accordance with Regulation 36B of the CIRP Regulations was suited to allow the PRAs to ascribe a value to the transactions under Section 66 and also propose the manner of dealing with recoveries therefrom.
- Pursuant thereto, PCHFL submitted its resolution plan for DHFL offering total consideration of INR 37,250 Crores comprising of cash and non-cash considerations. Additionally, PCHFL also submitted a resolution plan under Option II for Group A (retail assets) of DHFL offering an aggregate of INR 27,200 Crores.
- In the meanwhile, the ex-promoters moved before the NCLT praying for direction to RBI to place before the CoC its second settlement proposal for consideration. During the pendency of this application, the resolution plan submitted by PCHFL was approved by the CoC with 93.65% and

an application for approval of the resolution plan was filed before the NCLT by the administrator on May 13, 2021.

- On May 19, 2021, the NCLT directed the Administrator to place the 2nd settlement proposal before the CoC for consideration and voting within 10 days. This order was challenged by the Administrator, the CoC and PCHFL before the NCLAT and the NCLAT while issuing notice in the Appeal directed the NCLT to proceed with the plan approval application pending before it.
- Despite objections by the ex-promoters and 63 Moons (creditor of DHFL), NCLT approved the resolution plan submitted by PCHFL on June 07, 2021, refusing to interfere with the commercial wisdom of CoC which chose to give away recoveries under Section 66 of the IBC in exchange of lump sum resolution amount of INR 37,250 Crores.

Proceedings before NCLAT

- Thereafter, several appeals came to be filed before the NCLAT challenging the order passed by the NCLT approving the resolution plan for DHFL and rejecting the objections raised.
- Since the NCLAT rejected the application to grant stay on the order passed by the NCLT, civil appeals came to be filed before the Supreme Court. However, the Supreme Court declined to entertain the appeals and directed the NCLAT to dispose of the appeals expeditiously.
- In the meanwhile, on September 30, 2021, the resolution plan was implemented and PCHFL merged into DHFL in accordance with the approved resolution plan.
- On January 27, 2022, the NCLAT passed common judgment, directing that the term in the resolution plan permitting the resolution applicant to appropriate recoveries from avoidance applications ought to be set aside and that the resolution plan be sent back to the CoC for reconsideration of this aspect.
- On February 14, 2022, the appeal filed by the ex-promoters was dismissed as infructuous as the resolution plan was sent back to the CoC.

Submissions by PCHFL

- The decision regarding recovery from avoidance transaction falls within the commercial wisdom of CoC and could not be interfered with by the NCLAT.
- The manner of distribution of proceeds fall within the domain of CoC and IBC does not provide for full repayment to FD and NCD holders.
- Approval of resolution plan is inter-se binding between CoC and resolution applicant and therefore, no 12A proposal can be considered at this belated stage.

Submissions of NCD and FD Holders

- Placing reliance of judgment passed by Delhi High Court in *Venus Recruiters Private Limited vs. Union of India and Ors.*, 2020 SCC OnLine Del 1479, it was submitted that the recoveries from avoidance transaction can enure only to the benefit of the creditors.
- Unlike regular corporate debtors, a Financial Service Provider stands on a different footing and the commercial wisdom of CoC cannot be stretched to cover regulatory aspects specifically provided under the National Housing Bank Act, 1934 (NHB Act).
- The monies deposited by the FD Holders are not in the nature of a loan but in fact a deposit to be held in Trust by the Company till the time of maturity.
- In absence of any contradictions between the IBC and the NHB Act, the overriding effect contained in Section 238 of the IBC does not apply.
- Public depositors are neither secured creditors nor unsecured creditors but constitute a third class of creditors who stand on a higher footing than secured/unsecured creditors with a statutory right to the repayment. Hence, the claim of the public deposit holders ought not to be equated with that of any other creditor of DHFL and ought to be repaid in full.

Submissions by ex-promoters

- Recoveries from avoidance transaction must be for the benefit of creditors.
- The ex-promoters were entitled to participate in the CoC and have access to all records and documents.
- Provisions of IBC will prevail over RBI Act in view of Section 238 of the IBC.

Issues at hand

- Whether the Resolution Plan approved by the CoC, as elaborated above, meets the criterion or approval under the IBC?

The decision of the Court

- The Supreme Court, while setting aside the order passed by the NCLAT and upholding the order passed by the NCLT, approving the resolution plan, observed and held as under:
 - The IBC has been enacted to provide for timely resolution of insolvency which will support credit markets, encourage entrepreneurship.
 - The jurisdiction of AA to examine a resolution plan is limited to Section 30(2) and that of NCLAT is limited to Section 61(3) of the IBC.
 - The legislature has consciously not provided a ground to challenge justness of commercial decision take by CoC, as the main objective if IBC is revival of Corporate Debtor and to make it a running concern.
 - The CIRP can proceed irrespective of the pendency of avoidance applications, as per Section 26 of the IBC.
 - Avoidance transactions under Section 43, 45 and 50 are different from fraudulent transaction under Section 66. The IBC provides for clear demarcation of powers of AA to pass orders in an application filed for avoidance transactions.
 - Non – compliance of mandatory requirements under Section 30(2) of the IBC read with Regulation 38 of the CIRP Regulations, entitles the AA to reject the Resolution Plan.
 - An individual Financial Creditor cannot object to the decision taken by the class as a whole. Hence, the NCD Holders are estopped in law to raise objections against the decision of majority Financial Creditors.
 - Reliance placed on foreign texts and jurisprudence by NCLAT is incorrect as foreign texts cannot be made applicable to insolvency regime in India.
 - Neither the NHB Act nor the RBI Act mandates full payment of deposits to FD Holders.
 - Resolution Plan after having been approved by the NCLT under Section 31 of IBC, would become a Public Document within the meaning of Section 74 of the Indian Evidence Act.
- The Supreme Court also differentiated between Supersede and Suspend observing that while supersede means to annul, make void or repeal, Suspension means to interrupt, postpone, defer, or to temporarily keep a person from performing a function or occupying an office. In the present case, the RBI had already passed an order for supersession of Board of Directors of DHFL and therefore, the question of participation in the CoC and sharing of Resolution Plan with the ex-promoters of DHFL does not arise.
- In terms of the above, the Supreme Court upheld the approval of resolution plan of PCHFL. The Supreme Court further directed the NCLT to pass appropriate orders in avoidance applications under Sections 43, 45 and 50, recoveries from which will enure to the CoC and in application for fraudulent transactions under Section 66, the recoveries from which shall enure to the benefit of PCHFL.

HSA **Viewpoint**

Apart from emphasising on the objectives of IBC and the supremacy of the commercial wisdom of the CoC, this judgement also sets the foundational principle of distinction between avoidance transactions and fraudulent transaction under the IBC.

Rakesh Arora & Anr v Acute Daily Media Pvt Ltd & Ors - NCLAT

Judgement dated March 7, 2025 [Company Appeal (AT)(INS) Nos. 1606 of 2024 and 1608 of 2024]

Background facts

- This Appeal has been preferred by shareholders of the Corporate Debtor i.e. Sharp Eye Advertising Pvt Ltd., being aggrieved by non – imposition of penalty on the promoters in terms of Section 65 of the IBC.
- Succinctly put, the NCLT initiated CIRP proceedings in respect of Corporate Debtor on an application being made by its Financial Creditors. Later, the alleged shareholders of Corporate Debtor file an application under Section 65 of the IBC, claiming the Section 7 petition to be malicious and fraudulent. The NCLT vide the impugned order had allowed the application filed under Section 65 of the IBC, recalling the order initiating CIRP and issuing show cause notice to the Applicant Financial Creditors as to why penalty stipulated under Section 65(1) of the IBC should not be imposed.
- The Appellants herein filed the present Appeal challenging non – imposition of penalty on the Financial Creditors as well as the promoters, despite accepting that the Section 7 Petition was malicious. The Appellants contended that the legislature does not provide for granting of opportunity to the Financial Creditor to explain the wrongdoing and the NCLT ought to have penalised the Applicant Financial Creditor as well as the promoters.
- The Promoters of the Corporate Debtor objected to the Appeal and submitted that Section 65 of the IBC does not provide for imposition of penalty against promoters. In any case, the NCLT has not found sufficient material to issue notice against the promoters, and they cannot be penalised without any basis.

Issue at hand

- Whether Section 65 of IBC can be interpreted to include penalty on promoters of Corporate Debtor?

Decision of the Court

- The NCLAT, observed that Section 65 of the IBC focuses on who initiates the CIRP proceedings. The use of expression “impose upon such person a penalty” in Section 65 (1) relates to the person who has initiated the CIRP.
- Placing reliance on judgment passed by the Bombay High Court in *Tolaram Relumal and Anr. v State of Bombay*, the NCLAT observed that it is not competent to the court to stretch the meaning of expression used by the legislature in order to carry out the intention of legislature.
- Placing further reliance on *Aparna A. Shah vs. Sheth Developers Pvt. Ltd. & Anr.*, (2013) 8 SCC 71, the NCLAT observed that it is a settled position of law that penal statutes are to be strictly construed. Therefore, Section 65 of the IBC, being a penal statute, must be strictly and literally construed and hence, no interpretation can be put on the provisions of Section 65 that penalty can be imposed on any other person except those who have initiated CIRP fraudulently.
- While rejecting the prayers made in the Appeal, the NCLAT observed that the NCLT is at liberty to impose penalty without issuing notice, as done in the present case, as Rule 59 of the NCLT Rules, 2016 is not applicable to IBC. The NCLAT also observed that while in the present case, no penalty was imposed, the NCLAT being the Appellate Authority is not empowered to impose penalty under the present Appeal.
- The NCLAT therefore dismissed the Appeal observing that the NCLT is at liberty to pass appropriate orders to impose penalty on the Applicant financial Creditor.

HSA

Viewpoint

This judgment affirms that any penal provision aimed at deterring abuse, should be strictly construed and nudges the NCLT to exercise its powers judiciously.

VPR Mining Pvt Ltd v Gajraj Mining Pvt Ltd – NCLAT, New Delhi

Judgment dated May 23, 2025 [Company Appeal (AT)(INS) No. 1546 of 2024]

Background facts

- This Appeal arises out of rejection of a Section 9 Petition filed by the Appellant seeking initiation of CIRP against Gajraj Mining Pvt Ltd., the Corporate Debtor herein.
- Briefly, the Appellant executed a MOU with the Corporate Debtor for certain works to be completed in relation to the contract awarded by Northern Coalfield India Ltd (NCL) to the Corporate Debtor. While the Appellant performed its obligations, the Corporate Debtor persistently delayed in making payments to the Appellant. The Corporate Debtor also failed to meet its TDS liabilities for these payments.
- Later, due to non-payment of INR 3,98,02,115/-, the Appellant issued termination notice to the Corporate Debtor on April 10, 2019. On April 24, 2021, the Appellant demanded a sum of INR 1,62,48,376/- in unpaid bills and INR 3,26,73,990/- in TDS deposits, which remained unpaid.
- Subsequently, the Appellant also issued demand notice under Section 8 of the IBC on May 20, 2021, which was contested by the Corporate Debtor.
- The Appellant filed a Petition under Section 9 of the IBC, which was dismissed by the NCLT, being barred under Section 10A of the IBC and therefore, the Appellant filed this Appeal before the NCLAT.

Submissions of the Appellant

- The Appellant argued that the Corporate Debtor had admitted default on its part in the FY 2019-2020, as recorded in the minutes of meeting dated 16.12.2020.
- The Appellant further argued that the debt pertains to invoices raised prior to the 10A period, which were payable fortnightly as per the clauses of the MOU.
- The Appellant also submitted that the MOU contained no provision for running account bills or interim payments, rendering each bill final upon issuance.
- The appellant also argued that the TDS alone stood over INR 1 Crore and constitutes an operational debt in itself, sufficient to trigger the provisions of the IBC.

Submissions of Respondent/ Corporate Debtor

On the other hand, the Respondent argued that the Petition is barred by Section 10A of the IBC and that there is a pre existing dispute.

It was further argued that 2nd amendment to the MOU was made on July 07, 2020, thereby implying that there were no disputes till July 07, 2020 and the Appellant had no grievances regarding the amount due.

The Respondent submitted that the payments were to be made on fortnightly basis, expressly subject to receipt of corresponding payments from the NCL, and therefore, the obligation of the Corporate Debtor was contingent and directly linked to receipt of funds from NCL.

The Respondent further argued that the TDS amount is payable to the Income Tax Dept and not to the Appellant and cannot constitute default under the IBC. Hence, it was the submissions of the Respondent that this Appeal be rejected.

Issue at hand

- Whether TDS constitutes default under the IBC?
- Whether the Application was hit by Section 10A of the IBC?

Decision of the Tribunal

- The NCLAT upheld the decision of the NCLT, rejecting the Section 9 Petition filed by the Appellant being barred under Section 10A of the IBC.
- The NCLAT observed that the fundamental characteristic of an Operational Debt is that it arises from a transaction related to the operations of the Corporate Debtor, typically involving the supply of goods or services. Since non – remittance of TDS by a Corporate Debtor is principally a matter between the Corporate Debtor and the tax authorities, the failure of Corporate Debtor to pay the TDS amount does not constitute sufficient reason to admit this Section 9 Petition. The NCLAT noted that the Income Tax Act, 1961, provides specific legal remedies to address instances of non-remittance of TDS, which are to be pursued by the income tax authorities. Therefore, non – remittance of TDS alone in the present Petition cannot constitute default on the part of the Corporate Debtor towards the Appellant.
- The NCLAT further observed that both, the running a/c bills and the fixed invoice bills falls under the definition of Operational Debt. Hence, even if a part payment has been made, CIRP can still be initiated if the remaining unpaid amount meets or exceeds the threshold of Rs. 1 Crore. It is therefore crucial to determine the date of default keeping in mind both kinds of bills and their repayments.
- Taking note of the provisions made in the MOU between the Corporate Debtor and the Appellant, the NCLAT observed that the contract of the work was at a pre-determined price and the bills being raised every month based on the work executed by the Appellant were in nature of the running a/c bills.
- Taking note of the above, the NCLAT held that since the final figure payable by the Corporate Debtor to the Appellant pertained to the two bills raised during the 10A period, the NCLT has rightly rejected the petition filed by the Appellant as it is barred by Section 10A of the IBC. Accordingly, the NCLAT dismissed the Appeal.

HSA

Viewpoint

This judgement supports a balanced insolvency regime by protecting the debtors from frivolous petitions on one hand and still empowering genuine dues of the creditors on the other.

Cosmos Co-operative Bank v CS Anaghaanasingaraju – NCLAT, New Delhi

Judgment dated July 08, 2025 [Company Appeal (AT)(INS) No. 67 of 2025]

Background facts

- This Appeal has been preferred by secured creditor of the Corporate Debtor against an order passed by the NCLT directing the secured creditor, who has realised its security interest under the SARFAESI Act, 2002 (SARFAESI), to make contributions to workmen dues and liquidation cost of the Corporate Debtor.
- Briefly, the immovable property of the Corporate Debtor was mortgaged in favour of the Appellant, as a guarantor to two borrower companies. The Appellant issued notice under Section 13(2) of the SARFAESI calling upon the borrower as well as the Corporate Debtor to repay the amounts due. On failure, the Appellant took symbolic possession of the mortgaged property under Section 13(4).
- Later, CIRP proceedings came to be initiated in respect of the Corporate Debtor on March 12, 2018, which later culminated into initiation of Liquidation proceedings on August 09, 2018.
- The Appellant filed its claim with the Liquidator and intimated the Liquidator that it shall realise its security interest in terms of Section 52(1) of the IBC.
- In January, 2023, the asset of the Corporate Debtor stood realised by the Appellant and sale certificate was also issued.
- The Liquidator then filed an application before the NCLT seeking contribution from secured creditors including the Appellant who had chosen to exercise their rights to realise the secured interest, which was allowed by the NCLT by way of the impugned order in this Appeal.

Submission by Appellant

- Regulation 21A of the Liquidation Regulations which entitles a liquidator to receive cost of liquidation from secured creditors who have realised their security interest outside the liquidation, is not applicable as the liquidation of Corporate Debtor commenced prior to insertion of this Regulation.
- Section 13(9) of SARFAESI and provisions of Companies Act, 1956 and Companies Act, 2013, will have no application in the present proceedings under the IBC.
- Section 326 of the Companies Act, 2013 which is pari materia to Section 529A of Companies Act, 1956 is explicitly made inapplicable to liquidation proceedings under IBC in terms of Section 327(7) of Companies Act, 2013.

Submissions by the Respondent

- The Liquidator supported the impugned order passed by the NCLT submitting the Appellant secured creditor is liable to make contributions towards liquidation cost and workmen dues.

Issue at hand

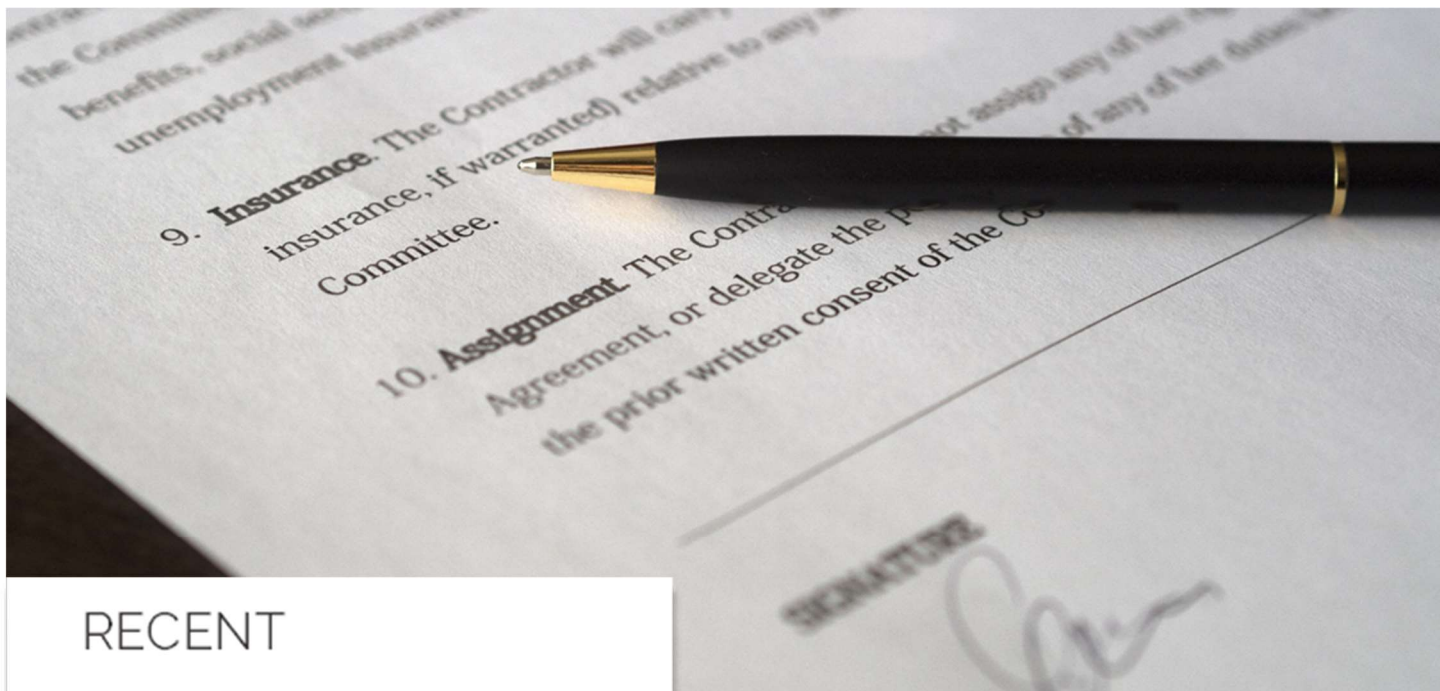
- Whether secured creditors, having realised their security interest under the SARFAESI, are liable to make contributions towards Liquidation Cost as well as Workmen Dues?

Decision of the Tribunal

- The NCLAT partly allowed the Appeal to hold that while the Appellant is obligated to make contribution towards workmen dues, they are not obligated to pay the liquidation cost, as directed by the NCLT.
- The NCLAT observed that the Liquidation proceedings in respect of the Corporate Debtor having commenced prior to insertion of Regulation 21A of the Liquidation Regulations, the said Regulation cannot be said to be applicable.
- The NCLAT observed that Section 52(8) of the IBC refers to insolvency resolution process cost due from secured creditors who realised their security interest. Further, Section 5(13) of the IBC defines insolvency resolution process cost. The NCLAT noted that the definition of insolvency resolution process costs does not include liquidation costs and hence observed that the Liquidation Cost cannot be levied on the Appellant.
- In so far as payment towards workmen dues is concerned, the NCLAT observed that since the Appellant has realised its security interest under the SARFAESI, the provisions of SARFAESI will be applicable on such transaction. The proviso to Section 13(9) of SARFAESI mandates the secured creditor to deposit the workmen dues with the Liquidator.
- The NCLAT also observed that there is no conflict between the provisions of Section 13(9) of the SARFAESI Act, 2002 and the IBC and therefore, the phrase “subject to provision of Insolvency and Bankruptcy Code, 2016” in Section 13(9) of the IBC cannot make provision of SARFAESI subject to the provisions of IBC.
- While noting the statutory scheme as delineated by Section 13(9), the NCLAT observed that the proviso to Section 13(9) clearly indicates that amount realised from the sale of secured assets are to be distributed as per the Companies Act 1956. The Companies Act 1956, having been repealed and Companies Act, 2013 having been enforced, the distribution contemplated has to be under the Companies Act, 2013. Accordingly, the NCLAT held that a Secured creditor is liable to pay workmen’s dues as per the statutory scheme under Section 13(9) of the SARFAESI Act, 2002.

HSA **Viewpoint**

This judgment reinforces the long-standing principles of Liquidation and obligation of a secured creditor to contribute towards the workmen dues during liquidation proceedings.



RECENT DEALS

Resolution Of Topworth Urja & Metals Ltd

- The NCLT, Mumbai bench (NCLT) vide Order dated May 26, 2025 has approved the Resolution Plan submitted by Evonith Holdings Pvt. Ltd. (SRA), as approved unanimously by the CoC of Topworth Urja & Metals Ltd (Corporate Debtor), undergoing CIRP in terms of Order dated August 12, 2022 passed by the NCLT.
- Pursuant to the initiation of CIRP, the RP constituted the CoC of the Corporate Debtor on December 31, 2022 in accordance with Section 21 of the IBC read with Regulation 17(1) of the CIRP Regulations.
- Thereafter, the IRP published Form – G on March 06, 2023, inviting Expression of Interest (EOI) from the prospective resolution applicants (PRAs) for submission of resolution plans for the Corporate Debtor. The last date to submit resolution plans was extended till May 29, 2023.
- In accordance with the provisions of the IBC, the RP appointed two registered valuers to determine the fair and liquidation value of the Corporate Debtor. The RP also appointed a transaction auditor to determine transactions under Sections 43, 45, 50 and 66 of the IBC. The RP also appointed independent agency for investigating on eligibility of the PRAs under Section 29A of the IBC.
- The RP received 11 resolution plans for the Corporate Debtor, which were placed before the CoC. Thereafter, 5 compliant resolution plans, after detailed discussions, deliberations and rounds of negotiations, were presented for voting.
- The Resolution Plan submitted by Evonith Holdings Pvt Ltd was approved by the CoC on January 05, 2024 and the RP issued Letter of Intent (LOI) to the SRA. Subsequently, the SRA accepted the LOI issued by the Applicant and also furnished a PBG of INR 30 crores.
- The Resolution Plan approved by the CoC has a total financial outlay of INR 502.1 Crores in terms hereof:
 - Upfront payment of CIRP Cost of INR 54.38 Crores within 30 days.
 - Upfront payment to Operational Creditors (Workmen and Employees) of INR 1.18 Crores in full within 30 days.
 - Upfront payment to Operational Creditors (including Government dues but excluding workmen and employees) of INR 1.82 Crores within 30 days, as against the admitted claim of INR 287.24 Crores.
 - Upfront payment of INR 42.62 Crores to the Secured Financial Creditors and balance payment of INR 200 Crores in 5 years by way of NCDs, as against the admitted claim of INR 2662.42 Crores.

- The approved resolution plan provides for constitution of monitoring committee to supervise the implementation of the resolution plan and such committee will comprise of 2 representatives of the assenting Financial Creditors, 2 representatives of the SRA and 1 external expert nominated by SRA in consultation with the CoC.
- The approved resolution plan also provides that all the amounts received by a company under the avoidance transactions and fraudulent transactions application shall ensure to the benefit of unrelated Financial Creditors of the Corporate Debtor.
- Pertinently, the average fair value of the assets of the Corporate Debtor is INR 460.80 Crores and the average Liquidation Value of the assets of the Corporate Debtor is INR 341.99 Crores.
- The NCLT observed that the Resolution Plan meets the requirements of Sections 29A and 30(2) of the IBC and Regulations 37, 38, 38(1A) and 39(4) of the CIRP Regulations. The NCLT also observed that the reliefs and concessions set out in the Resolution Plan shall be available in accordance with the settled principles of law. Accordingly, the NCLT approved the Resolution Plan submitted by the SRA.

Resolution of Premshree Prime Properties Pvt Ltd

- The NCLT, Indore Bench (NCLT) vide Order dated May 14, 2025 has approved the resolution plan submitted by Kalyan Toll Infrastructure Ltd (SRA), in the CIRP of Premshree Prime Properties Pvt Ltd (Corporate Debtor), as unanimously approved by the CoC of the Corporate Debtor.
- Pertinently, the Corporate Debtor is engaged in the real estate business.
- The CIRP in respect of the Corporate Debtor came to be initiated on February 17, 2023 and a RP was appointed to manage the affairs of the Corporate Debtor.
- Pursuant thereto, the RP made Public Announcement in Form A on February 20, 2023 inviting claims from the creditors of the Corporate Debtor. After collating and verifying the claims received, the RP constituted the CoC for the Corporate Debtor.
- The RP published Form – G on May 24, 2023, in pursuance of which, two resolution plans were received for the Corporate Debtor, one from the SRA and the other one from Prakash Asphaltting & Toll Highways India Ltd.
- In accordance with the provisions of the IBC, the RP appointed two registered valuers to determine the fair and liquidation value of the Corporate Debtor. The RP also appointed a transaction auditor to determine transactions under Sections 43, 45, 50 and 66 of the IBC.
- After detailed discussions and deliberations, all the resolution plans were put to vote and the resolution plan submitted the SRA came to be approved by the CoC by 100% voting share pursuant to the CoC meeting held on November 09, 2023. Later, certain amendments were suggested by the NCLT, which were also approved buy the CoC by 100% voting shares.
- The approved resolution plan provides that any recoveries from the avoidance applications pending before the NCLT will be transferred to the creditors. The approved resolution plan also provides that all the EPF dues shall be paid in accordance with applicable laws.
- The SRA has proposed to infuse a sum of INR 29.59 Crores, as elaborated herein under:
 - A sum of INR 7.19 Crores as against the admitted claims of INR 13.47 Crores of the secured financial creditors of the Corporate Debtor.
 - A sum of INR 22.40 Crores as against the admitted claims of INR 23.95 Crores of the unsecured financial creditors including the homebuyers.
 - In addition, the resolution plan proposes to pay INR 40 Lakhs towards CIRP Cost and a sum of INR 1.38 Lakhs towards homebuyer of Saffron Exotica Project and INR 5.28 Crores towards working capital in addition to infusion of the above amount.
- The resolution applicant proposes to complete the development of sold units with all the facilities and amenities as per the agreement and to execute respective sale deeds by receiving balance consideration of Rs.4.57 Crores in accordance with the payment schedule provided in original agreement with the respective home buyers with the corporate debtor.
- The approved Resolution Plan provides for constitution of a Monitoring Committee comprising of an insolvency professional which may or may not be the RP, 2 representatives of the CoC and 2 representative of the SRA to oversee the implementation of the Resolution Plan.
- Notably, the Fair Value of the assets of the Corporate Debtor was determined as INR 27.05 Crores and the Liquidation Value of the assets of the Corporate Debtor was determined as INR 21.05 Crores.
- The NCLT, after taking note of the compliances under Section 29A and Section 30 (2) of the IBC, Regulation 38 and 39 of the CIRP Regulations, approved the Resolution Plan submitted by the SRA

for the Corporate Debtor. The NCLT also observed that the reliefs and concessions set out in the Resolution Plan shall be available in accordance with the settled principles of law.



COMPANIES ADMITTED TO INSOLVENCY AND LIQUIDATION PROCESS IN THE MONTH OF JUNE 2025

Companies admitted to insolvency

#	Name of Corporate Debtor	NCLT Bench	Business Activity
1	Gardenia India Ltd	New Delhi	The Company is involved in the Real Estate business.
2	Regency World Consulting Ltd	New Delhi	The Company is involved in the IT business.
3	Pomegranate Coaters Pvt Ltd	New Delhi	The Company is involved in the business of footwear manufacturing.
4	Vicotex Fabrics Pvt Ltd	Mumbai	The Company is involved in the retail and distribution of consumer goods.
5	Ventures Supply Chain Pvt Ltd	New Delhi	The Company is involved in the transport business.
6	Prodo Technologies Pvt Ltd	New Delhi	The Company is involved in the online service marketplace business.
7	Gugnani Leasing & Hire Purchase Pvt Ltd	Chennai	The Company is involved in the business of brokerage and trading.
8	Growell Hire Purchase and Finance Pvt Ltd	Chennai	The Company is a non-banking financial company.
9	RKKR Holdings Pvt Ltd	Chennai	The Company is involved in the construction business.
10	Unitech International Ltd	Mumbai	The Company is involved in the business of Plastic and Steel Trading.
11	Eknath Developers LLP	Mumbai	The Company is involved in the retail business.
12	Kute Sons Fresh Dairy Pvt Ltd	Mumbai	The Company is involved in the business of manufacturing dairy products.
13	Peel Works Pvt Ltd	Mumbai	The Company is involved in the software development and support services business.
14	Sujyoti Developers Pvt Ltd	Mumbai	The Company is involved in the construction business.
15	Shithala Dealers Ltd	Kolkata	The Company is involved in the financial services business.
16	Byindia Creations Pvt Ltd	Ahmedabad	The Company is involved in the business of footwear manufacturing.
17	Akhrot Developers Pvt Ltd	Kolkata	The Company is involved in the construction business.
18	Jai Venkatesh Concast Pvt Ltd	Kolkata	The Company is involved in the steel manufacturing business.
19	Ludhiana Talwandi Toll Roads Pvt Ltd	Mumbai	The Company is involved in the construction business.
20	Syska e – retails LLP	Mumbai	The Company is involved in the e – commerce business.
21	Eco Gold Nutri and Organics LLP	Indore	The Company is involved in the agriculture sector.
22	Apurva Oil and Industries Pvt Ltd	Mumbai	The Company is involved in the business of manufacturing of oils.
23	Shreepati Steel Tubes Pvt Ltd	Indore	The Company is involved in the manufacturing of pipes and tubes.

24	S.M. Pharmaceuticals Pvt Ltd	Bengaluru	The Company is involved in the drug formulation and development business.
25	Gensol EV Lease Ltd	Ahmedabad	The Company is involved in the auto dealership and trading business.
26	Bird Consultancy Services Pvt Ltd	New Delhi	The Company is involved in the consultancy business.
27	Marvel Landmarks Pvt Ltd	Mumbai	The Company is involved in the real estate business.
28	Gensol Engineering Ltd	Ahmedabad	The Company is involved in the renewable energy business.
29	Neccon Power & Infra Ltd	Guwahati	The Company is involved in the business of power transmission and distribution.
30	Bird Hospitality Services Pvt Ltd	New Delhi	The Company is involved in the hospitality business.
31	Briar Knoll Mills Pvt Ltd	Chennai	The Company is involved in the business of textile and fabric production.
32	Supereco Automotive Co. LLP	Indore	The Company is involved in the automotive business.
33	Swastik Ispat Pvt Ltd	Cuttack	The Company is engaged in the business of steel manufacturing and processing.
34	Steelexpert Industries (Indore) Pvt Ltd	Indore	The Company is involved in the construction business.
35	Essential Logistics Pvt Ltd	Bengaluru	The Company is involved in the logistics business.
36	SKGI Consultancy Pvt Ltd	New Delhi	The Company is involved in the talent management business.
37	Aloha International Brewpub Pvt Ltd	Mumbai	The Company is involved in the hospitality business.
38	Siri Ram Syal Hydro Power Pvt Ltd	New Delhi	The Company is involved in the business of supplying hydroelectric power solutions.
39	Rang Super Shopping Pvt Ltd	Kolkata	The company is engaged in the retail and wholesale sector.
40	Margdarshak Financial Services Ltd	Allahabad	The company is involved in the business of providing Financial Services.
41	Unilply Industries Ltd	Chennai	The Company is involved in the business of plywood manufacturing.
42	Dattar Ceramic Pvt Ltd	Ahmedabad	The Company is involved in the chemical manufacturing business.
43	Piyali Trading Company Pvt Ltd	Mumbai	The Company is involved in food manufacturing business.
44	Bihariji Packaging Products Pvt Ltd	Allahabad	The Company is involved in the business of brokerage and trading services.
45	Vyshnavi Spices LLP	Amravati	The Company is engaged in the online healthcare business.
46	Path2way HR Solutions Pvt Ltd	New Delhi	The Company is involved in business of food and beverages retail and distribution.
47	Max Transport Ltd	Chennai	The Company is involved in the logistics business.
48	GLD Software Pvt Ltd	Mumbai	The Company is engaged in the IT services Sector.
49	Parth Nexgen Services Pvt Ltd	New Delhi	The Company is involved in the business of working as an entity on GEM Portal and delivering IT equipment, IT Products, Software, and other facilities etc.
50	Kamal Sponge Steel and Power Ltd	Jaipur	The Company is involved in the business of manufacturing of steel products.
51	Cubatics Industries Pvt Ltd	Mumbai	The Company is involved in the textile and fashion industry.
52	Venkat Estates Pvt Ltd	Bengaluru	The Company is involved in the real estate business.
53	Alchemist Holdings Ltd	New Delhi	The Company is engaged in the financial services and insurance sector.
54	Roofit Industries Ltd	Mumbai	The Company is involved in the business of manufacturing of concrete product, mineral product, plastics product, etc.
55	Asian Business Connections Pvt Ltd	Mumbai	The Company is engaged in the business of providing business support services.
56	Vamsee Teja Modern Rice Mill Pvt Ltd	Amravati	The Company is involved in the business of manufacturing of food grains.
57	Rigved Technologies Pvt Ltd	Mumbai	The Company is engaged in the business of providing employment services.
58	Dura Puf (Silvassa) Pvt Ltd	Mumbai	The Company is involved in the business of manufacturing home furnishings.

Companies directed to be liquidated in the month of June 2025

#	Name of Corporate Debtor	NCLT Bench	Industry
1	Opel Securities Pvt Ltd	Ahmedabad	The Company is involved in the business of investment banking & advisory in trade sector.
2	Kolon Investments Pvt Ltd	Ahmedabad	The Company is involved in the business of brokerage and trading services.
3	Gabriel Ventures India Pvt Ltd	Ahmedabad	The Company is involved in the business of brokerage and trading services.
4	Envivo Designs Pvt Ltd	Chandigarh	The Company is involved in the business of providing architectural, engineering and related activities consultancy.
5	Nextra Teleservices Pvt Ltd	New Delhi	The Company is involved in providing isp and broadband services.
6	Holodeck Consulting Pvt Ltd	Mumbai	The Company is involved in consulting business.
7	Virgo Marine Shipyards Pvt Ltd	Mumbai	The Company is involved in the business of designing and construction of small crafts and the manufacturing of specialized marine equipment.

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**CORPORATE &
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& INFRASTRUCTURE**



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