

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – I**

CA No. 179/MB/2023

In

C.P No. 3638/MB/2018

Under section 241-242, 242(4) of the Companies Act, 2013
r/w Rule 11 of NCLT Rules, 2016.

Filed by

**Infrastructure Leasing and Finance Services Limited
...Applicant**

Versus

Union of India

...Respondent

In the matter of

Union of India.

...Petitioner

Versus

**Infrastructure Leasing and Finance Services Limited and
Ors. ... Respondent**

Order Pronounced on:

06.07.2023

Coram:

Hon'ble Member (Judicial) : Mr. H.V. Subba Rao

Hon'ble Member (Technical) : Ms. Anu Jagmohan Singh

Appearances:

For the Applicant : Ms. Drishti Das, Advocate

For the Respondent : Mr. Aditya Sikka, Advocate

ORDER

Per Coram:

1. This Application is filed seeking approval of this Tribunal for the following reliefs:

A. Approve the proposal for amalgamation of IL&FS Asian Infrastructure Managers Limited and IIML Assets Advisors Limited with IL&FS Investment Managers Limited.

B. For any further reliefs as this Tribunal deems fit and proper in the facts and circumstances.

Facts leading to the present Application and Submissions advanced are as follow:

2. The present Application is filed seeking approval for the proposal of Amalgamation of IL&FS Asian Infrastructure Managers Limited (“IAIML”) and IIML Asset Advisors Limited (“IAAL”) with IL&FS Investment Managers Limited (“IIML”).

3. On 1 October 2018 this Tribunal suspended the erstwhile Board of the Applicant and appointed a new board comprising of six directors nominated by the Original Petitioner. Pursuant to appeals filed by the

Applicant, the Hon'ble NCLAT vide Order dated 15 October 2018 inter alia stayed coercive creditor and other action against the Applicant Group in larger public interest.

4. At the outset, the Applicant has laid down the events which resulted in resolution of the Applicant group.
5. Eventually the Hon'ble NCLAT vide its Order dated 12 March 2020 permitted the resolution of the applicant to continue as per procedure suggested by the Original Petitioner which included a Resolution Framework. Thereafter, in compliance with the Hon'ble NCLAT Orders various progress reports were filed which inter alia sets out resolutions framework of the Applicant group.
6. The Applicant submitted the Initial Resolution Framework and the First Addendum thereto to the Petitioner, which was further filed by the Petitioner before this Tribunal vide affidavit dated 15.01.2019 and before the Hon'ble NCLAT. Thereafter, the Applicant has also submitted the Second Addendum to the Petitioner. The initial Resolution Framework, the First Addendum and the Second Addendum are collectively referred to as the "Resolution Framework". The Resolution Framework inter alia sets out broad Resolution options for the resolution of the Applicant group.

7. The Applicant has filed the present Application pursuant to the Order dated 11.02.2019 passed by the Hon'ble NCLAT and the Order dated 12.03.2020 passed by the Hon'ble NCLAT for seeking approval of the proposed amalgamation of IAIML and IAAL with IIML.
8. IAIML and IAAL are both wholly owned subsidiaries of IIML. IIML is a listed company with its equity shares listed on Bombay Stock Exchange Limited (Code: 511208) and National Stock Exchange Limited (Symbol: IVC). The Applicant holds 50.42% stake in IIML, and rest is held by public.
9. IAIML and IAAL, both wholly owned subsidiaries of IIML are companies incorporated in India under the Companies Act, 1956 and are a part of 'List of "Green" - Indian IL&FS Group Entities' filed by the MCA with the Hon'ble NCLAT vide affidavit dated March 12, 2019. Further it is submitted that all the three companies namely, IIML, IAIML and IAAL are debt free as on March 31, 2022 with no outstanding liabilities.
10. The Hon'ble NCLAT vide order dated February 11, 2019, directed that the resolution of all the Green entities such as IAIML and IAAL shall be in accordance with the Resolution Framework subject to the supervision of Hon'ble Justice (Retd.) D.K. Jain, who was appointed to

oversee the efforts of the New Board and approve resolution/restructuring proposals.

11. It is submitted that IAIML and IAAL are proposed to be amalgamated with IIML as a part of the resolution of IL&FS Group by and under Sections 230 to 232 of the Companies Act, 2013 and also applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").
12. The Applicant submits that at present there are no employees in IAIML and IAAL. All the assets and liabilities of IAIML and IAAL will be transferred to IIML post the merger of these entities. As IIML, IAIML and IAAL, are all engaged in the business of fund management and as a part of the consolidation strategy of IIML and its subsidiaries, the Board of IIML has proposed to merge IAIML and IAAL with IIML. Further, as there are no outstanding creditors in the books of IAIML, IAAL or IIML, the proposed merger is not resolution plan, but is in the ordinary course of organizational restructuring by consolidating similar businesses under different entities in one company for synergy and scale of operations. It is submitted that the amalgamation of IAIML and IAAL with IIML would result into consolidation of similar businesses, elimination of multiple entities, reducing the legal and regulatory

compliances, reducing the time and efforts for consolidation of financials at group level, elimination of duplicative communication and coordination efforts and rationalization of administrative and compliance costs.

13. The Applicant submits that the merger of the two entities shall be by way of Scheme of Amalgamation in accordance with the provisions of section 230-232 of the Companies Act, 2013 and also based on the SEBI, LODR. The scheme is annexed as “Annexure 6” of the Application.
14. The IIML Board at its meeting held on February 14, 2022 after considering various restructuring proposals and on recommendation of the appointed auditor - Pricewaterhouse Coopers ("PWC") - approved, the merger of IAIML and IAAL with IIML. The IAIML and IAAL Boards have also accorded their respective approvals for the merger vide their corresponding resolutions both dated February 14, 2022.
15. The Board of IL&FS at its meeting held on 18.04.2022 has accorded its approval for the proposed amalgamation.
16. An application was made by the present Applicant on July 29, 2022 before Justice (Retd.) D. K. Jain seeking his approval for proposal of amalgamation of IAIML and IAAL, with IIML. Accordingly, Justice

(Retd.) D. K. Jain gave his approval subject to the Applicant obtaining approvals of shareholders of IAIML and IAAL vide his letter dated August 2, 2022.

17. The Union of India has filed its affidavit in reply dated 09.05.2023 upon perusal of which it is observed that no objection has been raised by the Union of India for taking the matter on its merits without prejudice to the right of the original petitioner and SFIO.

Findings:

18. We have considered the matter on hand in the background of facts and circumstances stated above; it is observed that the amalgamation of IAIML and IAAL with IIML has also been approved by Justice D.K. Jain former judge of the Hon'ble Supreme Court appointed by the Hon'ble NCLAT to oversee the resolution process of the Applicant Group and to enable a resolution of the Applicant Group in line with the Resolution Framework; and the mandate given by this Tribunal to the New Board.
19. Moreover, it is observed that there are no creditors in the books of IAIML, IAAL and IIML and at present there are no employees with IAIML and IAAL. Since, all the entities are engaged in the business of

fund management and as part of consolidation strategy the board of IIML has proposed the said merger. In addition to the above the said merger is approved by the New Board of IL&FS. Since, the above merger is finalized through a high powered committee constituted in pursuance of the orders of the Hon'ble NCLAT, monitored by Justice (Retd.) D.K. Jain of the Hon'ble Supreme Court, this Tribunal has very limited scope and jurisdiction to interfere in such commercial decisions as it would lead to reopening of the decisions of a high powered committee which will ultimately affect the speed recovery process in the larger interest of public.

20. Therefore, in the aforesaid backdrop, we **approve** the above proposal for amalgamation of IL&FS Asian Infrastructure Managers Limited and IIML Assets Advisors Limited with IL&FS Investment Managers Limited in the interest of justice.
21. We further direct, the Applicant to file appropriate Application for the proposed merger in terms of Section 230-232 of the Companies Act, 2013 and obtain approvals from shareholders of IAIML, IAAL and IIML.
22. In the aforesaid backdrop, **CA No. 179 of 2023 in C.P No.**

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH – I

CA No.179/MB/2023 In C.P No. 3638/MB/2018

3638/MB/C-I/2018 stands disposed of as allowed in terms of prayer
clause (A) hereinabove.

Sd/-

ANU JAGMOHAN SINGH

Member (Technical)

06.07.2023
Priyal

Sd/-

H.V. SUBBA RAO

Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – I**

CA No. 185/MB/2023

In

C.P No. 3638/MB/2018

Under section 241-242, 242(4) of the Companies Act, 2013
r/w Rule 11 of NCLT Rules, 2016.

Filed by

**Infrastructure Leasing and Finance Services Limited
...Applicant**

Versus

Union of India

...Respondent

In the matter of

Union of India.

...Petitioner

Versus

**Infrastructure Leasing and Finance Services Limited and
Ors. ... Respondent**

Order Pronounced on: 06.07.2023

Coram:

Hon'ble Member (Judicial)

: Mr. H.V. Subba Rao

Hon'ble Member (Technical)

: Ms. Anu Jagmohan Singh

Appearances:

For the Applicant

: Ms. Neeharika Aggarwal, Advocate

For the Respondent : Mr. Aditya Sikka, Advocate

ORDER

Per Coram:

1. This Application is filed seeking approval of this Tribunal for the following reliefs:

A. Approve the proposed transfer of the Unit No. 01, admeasuring about 11,807 square feet (saleable area) which is inclusive of 7,631 square feet (carpet area) located on 25th floor of the building known as 'Gift One Building' together with undivided proportionate share of 71.33 square meters in the leasehold land parcel admeasuring 4800 square meters (having dimension 80 x 60 square meters) or thereabouts (which includes footprint area of 60 x 40 square meters and 10 meters wide peripheral land surrounding the footprint area) situated, lying and being at Village Ratanpur, Taluka and District Gandhinagar in the State of Gujarat, for the residual period of the lease (the said "Unit No. 1") along with right to use common areas and facilities therein and allotment of 1 car parking space bearing No38 in the basement of the said building, in favour of Greystone Infrastructure, free and clear from all encumbrances, liens, security interest and third party

claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of Rs. 7,14,44,157/- (Indian Rupees Seven Crores Fourteen Lakhs Forty-Four Thousand One Hundred and Fifty- Seven only) therefrom;

- B. Approve the proposed transfer of the Unit No. 02, admeasuring about 11,805 square feet (saleable area) which is inclusive of 7,630 square feet (carpet area) located on 25th floor of the building known as 'Gift One Building' together with undivided proportionate share of 71.32 square meters in the leasehold land parcel admeasuring 4800 square meters (having dimension 80 x 60 square meters) or thereabouts (which includes footprint area of 60 x 40 square meters and 10 meters wide peripheral land surrounding the footprint area) situated, lying and being at Village Ratanpur, Taluka and District Gandhinagar in the State of Gujarat, for the residual period of the lease (the said "Unit No. 2") along with right to use common areas and facilities therein and allotment of 1 car parking space bearing No.37 in the basement of the said building, in favour of Greystone Infrastructure, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of Rs.7,14,32,055/-

(Indian Rupees Seven Crores Fourteen Lakhs Thirty-Two Thousand Fifty-Five only) therefrom;

C. Approve the sale process for the right, title and interest in 25th Floor Units along with the furniture and fixtures therein (together, the "Furnished Unit(s)") (with associated car parking rights) on an 'as is where is' basis and 'as is what is' basis in favour of Greystone Infrastructure, subject to receipt of total consideration of Rs.14,28,76,212/- (Indian Rupees Fourteen Crore Twenty Eight Lakh Seventy Six Thousand Two Hundred Twelve only) therefrom.

D. Permit SCOL to execute and register the said Deed of Transfer with ITNL for Unit No. 1, pursuant to which SCOL would transfer to ITNL, its right, title and interest in Unit No. 1 to ITNL to the extent of the consideration already paid by ITNL under the said Agreement with ITNL whilst SCOL retaining the right, title and interest in Unit No. 1 to the extent of the balance amount remaining unpaid by ITNL under the said Agreement with ITNL; and, thereafter, to sell and transfer the Unit No. 1 by executing and registering the Deed of Transfer in favour of H1 Bidder i.e. Greystone Infrastructure;

E. Permit SCOL to execute and register the said Deed of Transfer

with EMSL for Unit No. 2, pursuant to which SCOL would transfer to EMSL, its right, title and interest in Unit No. 2 to EMSL to the extent of the consideration already paid by EMSL under the said Agreement with EMSL whilst SCOL retaining the right, title and interest in Unit No. 2 to the extent of the balance amount remaining unpaid by EMSL under the said Agreement with EMSL; and, thereafter, to sell and transfer the Unit No. 2 by executing and registering the Deed of Transfer in favour of H1 Bidder i.e. Greystone Infrastructure;

F. Direct that the Applicant be permitted to utilize and pay an amount of INR 40,60,785 excluding taxes from the total Consideration received from the Proposed Transactions towards Resolution Process Costs that have accrued or been incurred or are likely to accrue in connection with the resolution of SCOL, ITNL and EMSL;

G. Direct that the amount received towards CAM deposits and Utility Connection Charges and Deposits (subject to deduction of applicable taxes) from the H1 Bidder be received in a separate bank account to be intimated by SCOL;

H. Direct that after paying Resolution Process, the balance funds from the Consideration be permitted to be deposited into the

relevant bank/ escrow account, as per the details provided by the Applicant/ SCOL/ ITNL/ EMSL (as the case may be), and that the same shall not be adjusted or set off against any other dues pertaining to any bank/ financial institution.

- I. Direct that the distribution of the Consideration or part thereof or withdrawal of any other amounts from the escrow account apart from prior payment of Resolution Process Costs be subject to further orders of this Hon'ble Tribunal;
- J. For any further reliefs as this Tribunal deems fit and proper in the facts and circumstances.

Facts leading to the present Application and Submissions advanced are as follow:

2. The present application has been filed by the applicant seeking the approval of this Tribunal for the sale process for the right, title and interest in the 25th Floor Units along with the furniture and fixtures therein (together, the "Furnished Unit(s)") (with associated car parking rights) situated in the GIFT ONE Building, GIFT City, Gandhinagar, Gujarat ("Commercial Premises") on behalf of Sabarmati Capital One Limited ("SCOL") on an as is where is' basis and 'as is what is' basis ("Proposed Transaction").
3. SCOL is a wholly owned subsidiary of IL&FS Township & Urban

Assets Limited ("ITUAL"), which is a wholly owned subsidiary of IL&FS, i.e., the Applicant herein.

4. In line with the mandate granted to the New Board and in terms of various orders passed by the NCLT and the NCLAT, and the authority delegated to the Asset Sale Committee ("ASC") by the New Board in relation thereto, the ASC approved the initiation of the public bidding process for the sale of the vacant units of the Building on 11 November 2021.
5. The applicant engaged two independent valuers, viz RBSA Valuation Advisors LLP ("RBSA") and V S Jadon and Co. Valuers LP ("Jadon") (collectively "Valuers"), for the purpose of determining the fair market value and liquidation value of the Commercial Premises.
6. The Whole-Time Directors of IL&FS recommended to the ASC to sell the Furnished Units, Unit No. 01, admeasuring about 11,807 square feet and Unit No. 02, admeasuring about 11,805 square feet, located on 25th floor of the building known as Gift One Building', as per the Joint Sale Structure so as to bring the most optimum solution.
7. Subsequently, IL&FS published an advertisement in The Economic Times and Sandesh, Ahmedabad each dated 29 September 2022 ("Advertisements"), for the sale of the Furnished Units on an as is where is basis and as is what is basis, i.e., the Proposed Transaction, as

approved by ASC.

8. As per approval accorded by the Group Executive Committee (“GEC”), the initial bid due date specified in the RFP was 21 October 2022 which was further extended till 4 November 2022. On the final bid due date for the public bidding process for the Proposed Transaction, i.e., 4 November 2022, out of the 7 (seven) applicants that were granted access to the VDR, 3 (three) applicants submitted their bids.
9. The financial proposals submitted for the Proposed Transaction(s) by the bidders in accordance with the RFP were opened on 7 November 2022 vide a video conference in the presence of the members of the GEC, A&M and the IL&FS Deal Team.

			Value (In INR)	Price (In INR)
Greystone infrastructure	14,28,76,21	H1	11,48,76,356.	12,88,03,460.
Aart Ventures Private Limited	14,19,31,732	H2		
Krish	13,45,88,400	Invalid Bid		

Compusoft Services Private Limited				
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10. The GEC vide its email dated 26 November 2022, identified and approved, altogether, the bid value and offer price specified by Greystone Infrastructure for the Furnished Units as the highest bid value/ offer ("H1 Bid") and recommended to place the H1 Bid before the New Board.
11. The H1 Bid was approved and the submission of the H1 Bid received, the FMVs and the liquidation values (determined by the Valuers) to the committee of creditors ("CoC") of SCOL for its consideration and evaluation, were authorized by:
- a) the New Board at its meeting held on 29 November 2022;
 - b) the Board of SCOL at its meeting held on 16 December 2022;
 - c) the Board of EMSL at its meeting held on 12 January 2023; and
 - d) the Board of ITNL at its meeting held on 11 January 2023.
12. Accordingly, at the meeting of the CoC of SCOL held on 21 December 2022, the H1 Bid for the Proposed Transaction was approved unanimously.

13. The New Board at its meeting held on dated 16 January 2023 took note of the approval accorded by the CoC of SCOL with respect to the H1 Bid and approved the submission of the H1 Bid for the Proposed Transaction, authorised and approved the submission of the H1 Bid to Justice (Retd.) Mr. D.K. Jain along with the proposal regarding the Proposed Transaction for consideration and evaluation and authorised the ASC to seek requisite authority and other relevant approvals, including approval from this Hon'ble Tribunal.
14. Pursuant to the approval of the New Board and in terms of the Resolution Framework, the Applicant filed an application dated 4 February 2023 before Justice (Retd.) D.K. Jain seeking his approval for consummation of the Proposed Transaction, in compliance with the terms of the Resolution Framework, on terms approved by the New Board.
15. Thereafter, vide a letter dated 8 February 2023, Justice (Retd.) D.K. Jain granted his approval to the consummation of the Proposed Transaction, subject to prior approval of this Tribunal.
16. Pursuant to receipt of the Justice Jain Approval, IL&FS, SCOL, ITNL and/or EMSL declared H1 Bidder, i.e., Greystone Infrastructure, as the successful bidder, and issued LOI's in the name of H1 Bidder confirming it as the proposed purchaser of the Furnished Units and, have received

the duly executed LOI's (along with the performance guarantee) from the H1 Bidder.

17. The Union of India has filed its affidavit in reply dated 10.05.2023 upon perusal of which it is observed, since this is a commercial matter, no objection has been raised by the Union of India for taking the matter on its merits without prejudice to the right of the original petitioner and SFIO.

Findings:

18. We have considered the matter on hand in the background of facts and circumstances stated above; it is observed that Hon'ble Justice D.K. Jain has examined the proposed transaction in detail and thereupon granted his approval. Justice D.K. Jain former judge of the Hon'ble Supreme Court was appointed by the Hon'ble NCLAT to oversee the resolution process of the Applicant Group and to enable a resolution of the Applicant Group in line with the Resolution Framework; and the mandate given by this Tribunal to the New Board.
19. In addition to the above the said transfer of assets is approved by the CoC of SCOL unanimously as per provisions of the Code. Since, the above transaction is finalized through a high powered committee constituted in pursuance of the orders of the Hon'ble NCLAT, monitored by Justice (Retd.) D.K. Jain of the Hon'ble Supreme Court,

this Tribunal has very limited scope and jurisdiction to interfere in such commercial decisions as it would lead to reopening of the decisions of a high powered committee which will ultimately affect the speed recovery process in the larger interest of public.

20. Therefore, in the aforesaid backdrop, we **approve** the proposed transaction in terms of prayer clause (A) to (E) in the interest of justice. The parties are directed to approach the respective stakeholders for grant of other reliefs claimed in the above Application.
21. In the aforesaid backdrop, **CA No. 185 of 2023 in C.P No. 3638/MB/C-I/2018** stands disposed of as allowed in terms of prayer clause (A) to (E) hereinabove.

Sd/-

ANU JAGMOHAN SINGH

Member (Technical)

06.07.2023

Priyal

Sd/-

H.V. SUBBA RAO

Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – I**

CA No. 647/2022

In

CP No. 3638/MB/2018

Under section 241 and 242 of the of the Companies Act,
2013.

Infrastructure Leasing & Financial Services Limited,

8th Floor, plot C-22, G Block, BKC, Bandra East, Mumbai
400051

...Applicant

In the matter of

Union of India,

6th Floor, Fountain Telecom Building I, M. G. Road, Fort,
Mumbai – 400001

...Petitioner

Versus

Infrastructure Leasing & Financial Services Limited,

8th Floor, plot C-22, G Block, BKC, Bandra East, Mumbai
400051

...Respondent

Order Pronounced on: 06.07.2023

Coram:

Hon'ble Member (Judicial) : Mr. H. V. Subba Rao

Hon'ble Member (Technical) : Ms. Anu Jagmohan Singh

Appearances:

For the Applicant : Mr. Abhishek Tilak, Advocate

For the Respondent : Mr. Aditya Sikka, Advocate for the UoI

ORDER

Per Coram:

1. This application is filed seeking approval of this Tribunal for following reliefs:
 - A. Approve the consummation of the following transactions between SCOL and the H1 Bidder(s):
 - i. Approve the proposed transfer of the ownership right, title and interest in the premises being Unit No. 2 admeasuring 6,041 sq. ft. on the 1st Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying and being at Village-Ratanpur, District-Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 36.49sq. mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of IED Infrastructure Private Limited, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 3,09,45,000 (Three

Crore Nine Lakhs Forty Five Thousand only) from IED

Infrastructure Private Limited;

- ii. Approve the proposed transfer of the ownership right, title and interest in the premises being Units No. 1, 2, 3 and 4 admeasuring 30,572 sq. ft. on the 2nd Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying and being at Village-Ratanpur, District-Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 184.71 sq. mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of Sagar Mukesh Sheth, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 12,90,00,000 (Twelve Crore Ninety Lakhs only) from Sagar Mukesh Sheth;
- iii. Approve the proposed transfer of the ownership right, title and interest in the premises being Unit No. 3 admeasuring 9,276 sq. ft. on the 3rd Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying

and being at Village-Ratanpur, District-Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 56.04 sq. mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of Namit Dua, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 4,65,84,072 (Four Crore Sixty Five Lakhs Eight Four Thousand and Seventy Two only) from Namit Dua;

- iv. Approve the proposed transfer of the ownership right, title and interest in the premises being Units No. 2 and 3 admeasuring 18,552 sq. ft. on the 4th Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying and being at Village-Ratanpur, District- Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 112.09 sq- mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of Smartsense Consulting Solutions Private Limited, free and

clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 8,44,30,152 (Eight Crore Forty Four Lakhs Thirty Thousand One Hundred and Fifty Two only) from Smartsense Consulting Solutions Private Limited;

- v. Approve the proposed transfer of the ownership right, title and interest in the premises being Units No. 1 and 2 admeasuring 15,107 sq. ft. on the 10th Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying and being at Village-Ratanpur, District-Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 91.27 sq. mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of Gujarat Electricity Regulatory Commission, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 6,34,49,400 (Six Crore Thirty Four Lakhs Forty Nine

Thousand Four Hundred only) from Gujarat Electricity Regulatory Commission;

- vi. Approve the proposed transfer of the ownership right, title and interest in the premises being Units No. 1 and 2 admeasuring 29.588 sq. ft. on the 28th Floor of building known as "Gift One" standing on a land parcel admeasuring 4800 square meters and bearing revenue survey/block number 262/1/P situate lying and being at Village-Ratanpur, District-Gandhinagar in the State of Gujarat (the said "Leased Land") along with the assignment of the leasehold rights and interest in the undivided proportionate share of 178.76 sq. mts. out of the said Leased Land for the residue period of the 99 years lease, in favour of Yashasvi Wealth Management LLP, free and clear from all encumbrances, liens, security interest and third party claims (including any statutory or tax claims) as on 15 October 2018 subject to receipt of consideration of INR 16,01,00,668 (Sixteen Crore One Lakh Six Hundred and Sixty Eight only) from Yashasvi Wealth Management LLP.
- B. Permit the Applicant to execute the Draft Transaction Documents (other than the LOIS) and the Direct Sale Transaction Documents (other than the GERC LOI) with the H1 Bidder(s);

- C. Direct that the Applicant be permitted to utilize and pay an amount of INR 1,98,36,866 excluding taxes from the Consideration received from the Proposed Transactions towards Resolution Process Costs that have accrued or been incurred or are likely to accrue in connection with the resolution of SCOL;
- D. Direct that the amount received towards CAM deposits and Utility Connection Charges and Deposits (subject to deduction of applicable taxes) from the H1 Bidders be received in a separate bank account to be intimated by SCOL;
- E. Direct that after paying Resolution Process Costs, the balance funds from the Consideration be permitted to be deposited into the relevant bank/ escrow account, as per the details provided by the Applicant/SCOL, and that the same shall not be adjusted or set off against any other dues pertaining to any bank/ financial institution;
- F. Direct that the distribution of the Consideration or part thereof or withdrawal of any other amounts from the escrow account apart from prior payment of Resolution Process Costs be subject to further orders of this Hon'ble Tribunal;
- G. For any further reliefs as this Hon'ble Tribunal deems fit and proper in the facts and circumstances.

Facts and Submissions advanced are as follows:

2. The present Application is filed in accordance with the Order and Judgment dated 12 March 2020 of the Hon'ble NCLAT in the Company Appeal Nos. 346 and 347 of 2020 seeking the reliefs detailed hereinabove. (Annexure 1 at pages 45 – 145)
3. The present application has been filed by the applicant seeking the approval of this Tribunal for sale of office spaces/ commercial units (along with leasehold rights therein) situated in the GIFT ONE Building, GIFT City, Gandhinagar, Gujarat ("Commercial Premises") on behalf of Sabarmati Capital One Limited ("SCOL") ("Proposed Transaction").
4. SCOL is a wholly owned subsidiary of IL&FS Township & Urban Assets Limited ("ITUAL"), which is a wholly owned subsidiary of IL&FS, i.e., the Applicant herein.
5. In line with the mandate granted to the New Board and in terms of various orders passed by the NCLT and the NCLAT, and the authority delegated to the Asset Sale Committee ("ASC") by the New Board in relation thereto, the ASC approved the initiation of the public bidding process for the sale of the vacant units of the Building on 11 November 2021.
6. The applicant engaged two independent valuers, viz RBSA Valuation Advisors LLP ("RBSA") and V S Jadon and Co. Valuers LLP ("Jadon") (collectively "Valuers"), for the purpose of determining the fair market value and liquidation value of the Commercial Premises.

7. Subsequently, the applicant published an advertisement in the Economic Times, the Divya Bharati and Times of India, each dated 28 January 2022 ("Advertisements"), for the Proposed Transaction.
8. The Gujarat Electricity Regulatory Commission ("GERC"), vide its letters to SCOL dated 10 March 2022 ("GERC Letter 1") and 19 March 2022 ("GERC Letter 2") expressed its interest/intent to purchase Unit No. 1 and Unit No. 2 admeasuring 15107 sq. ft on the 10th floor of the Building ("10th Floor Units") on a direct basis at a reasonable rate, for the purpose of expanding its existing office on the 6th floor of the same Building. The New Board at its meeting held on 28 March 2022 noted the decision taken by the ASC at its meeting held on 22 March 2022 and approved the direct sale of the 10th Floor Units to GERC at the price proposed by the ASC, i.e., INR 4,234/- (Indian Rupees Four Thousand Two Hundred and Thirty-Four only) per sq. ft.
9. In respect of the other floors, on the final bid due date, out of the 28 (Twenty Eight) applicants that were granted access to the VDR, 10 (ten) applicants submitted their bids.
10. The ASC vide its email dated 11 June 2022, identified and approved, altogether, the bid values and offer prices specified below for the 6 (six) Office Spaces (the bid values submitted by the bidders for certain Office Spaces (i.e., other than those comprising of the 10th Floor Units and the 25th Floor Units) and the offer price agreed with GERC for the Office Spaces comprising of the 10th Floor Units)) as the highest bid values/ offer price for such Office Spaces ("H1 Bids") and recommended to place the H1 Bids before the New Board. The details of the H1 Bids are as set forth below:

Sr. No.	Office Space Particulars	Name of the Bidder/Offeror	H1 Bid (including Direct Offer Price) in INR	H1 Bid (including Direct Offer Price) as percentage of Average FMV
1.	Unit No. 2 on the 1 st Floor (6,041 Sq.ft.)	IED Infrastructure Private Limited	3,09,45,000	121%
2.	Unit Nos. 1,2,3 & 4 on the 2 nd Floor (30,572 Sq.ft)	Sagar Mukesh Sheth	12,90,00,000	100%
3.	Unit No. 3 on the 3 rd Floor (9,276 Sq. ft)	Namit Dua	4,65,84,072	119%
4.	Unit Nos. 2 & 3 on the 4 th Floor (18,552 Sq. ft)	Smartsense Consulting Solutions Private Limited	8,44,30,152	107%
5.	Unit Nos. 1 & 2 on the 10 th Floor (15,107 Sq. ft)	Gujarat Electricity Regulatory Commission	6,34,49,400	99%
6.	Unit No. 1 & 2 on the 28 th Floor (29,588 Sq. ft)	Yashasvi Wealth Management LLP	16,01,00,668	110%

Total	51,45,09,292	--
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11. The Board of SCOL at its meeting held on 30 June 2022 identified and approved the Hi Bids and authorised the submission of the H1 Bids received, the FMVs and the liquidation values (determined by the Valuers) to the CoC of SCOL for its consideration and evaluation.
12. The H1 Bids for the Proposed Transactions were placed for approval of the financial creditors of SCOL in the CoC meeting of SCOL held on 8 July 2022. The members of the CoC of SCOL voted unanimously to approve the proposed sale of the Units on 29 July 2022.
13. The New Board at its meeting held on dated 4 August 2022 took note of the approval accorded by the CoC of SCOL with respect to the H1 Bids and approved the submission of the H1 Bids for the Proposed Transactions, authorised and approved the submission of the H1 Bids to Justice (Retd.) Mr. D.K. Jain along with the proposal regarding the Proposed Transactions for consideration and evaluation and authorised the ASC to seek requisite authority and other relevant approvals, including approval from this Tribunal.
14. Pursuant to the approval of the New Board and in terms of the Resolution Framework, the Applicant filed an application dated 19 August 2022 before Justice (Retd.) D.K. Jain seeking his approval for consummation of the Proposed Transaction.
15. Subsequently, pursuant to application made by the Applicant (Annexure 47 at pages 980 – 1000), Justice D.K. Jain, former judge of

the Hon'ble Supreme Court vide letter dated 29 September 2022 granted his approval to Proposed Transaction (Annexure 48 at pages 1001 – 1006).

Findings:

16. We have considered the matter on hand in the background of facts and circumstances stated above. The Proposed Transaction has also been approved by Justice (Retd.) D.K. Jain, former judge of the Hon'ble Supreme Court appointed by the Hon'ble NCLAT to oversee the resolution process of the Applicant Group in line with the Resolution Framework; and the mandate given by this Tribunal to the New Board.
17. In addition to the above the said sale is approved by the CoC of SCOL unanimously as per the provisions of the Code. Since, the above transaction is finalized through a high powered committee constituted in pursuance of the orders of the Hon'ble NCLAT, monitored by Justice (Retd.) D.K. Jain of the Hon'ble Supreme Court, this Tribunal has very limited scope and jurisdiction to interfere in such commercial decisions as it would lead to reopening of the decisions of a high powered committee which will ultimately affect the speed recovery process in the larger interest of public.
18. Thus, we **approve** the Proposed Transaction in terms of prayer clause (A) and (B) in the interest of justice. The parties are directed to

approach the respective stakeholders for grant of other reliefs claimed
in the above Application.

19. With the aforesaid observation present **CA No. 647 of 2022 in CP No. 3638/MB/C-I/2018** stands disposed of as allowed in above terms without prejudice of course to any proceedings that any investigative or any other authorities may take against the erstwhile directors of the companies that are subject matter of this application.

Sd/-

ANU JAGMOHAN SINGH

Member (Technical)

06.07.2023
SAM

Sd/-

H. V. SUBBA RAO

Member (Judicial)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH – I**

CA No. 660/2022

In

CP 3638/MB/2018

Under section 241 and 242 of the of the Companies Act,
2013.

Infrastructure Leasing & Financial Services Limited,

8th Floor, plot C-22, G Block, BKC, Bandra East, Mumbai
400051

...Applicant

Versus

Union of India,

6th Floor, Fountain Telecom Building I, M. G. Road, Fort,
Mumbai – 400001

...Respondent

In the matter of

Union of India,

6th Floor, Fountain Telecom Building I, M. G. Road, Fort,
Mumbai – 400001

...Petitioner

Versus

Infrastructure Leasing & Financial Services Limited,

8th Floor, plot C-22, G Block, BKC, Bandra East, Mumbai
400051

...Respondent

Order Pronounced on: 06.07.2023

Coram:

Hon'ble Member (Judicial) : Mr. H. V. Subba Rao

Hon'ble Member (Technical) : Ms. Anu Jagmohan Singh

Appearances:

For the Applicant : Mr. Abhishek Tilak, Advocate

For the Respondent : Mr. Aditya Sikka, Advocate for the UoI

ORDER

Per Coram:

1. This application is filed seeking approval of this Tribunal for following reliefs:
 - A. Allow the Applicant to initiate CIRP of Odisha Project Development Company Limited under Section 10 of the IBC and file necessary applications for the same;
 - B. Allow the Applicant to initiate CIRP of Bihar e-Governance Services and Technologies Limited under Section 10 of the IBC and file necessary applications for the same;
 - C. Allow the Applicant to initiate the process and file necessary applications for winding up of Chhattisgarh Highway Development Company Limited under Section 271(e) of the Act and;
 - D. Direct that upon the initiation of winding up of Chhattisgarh Highway Development Company Limited under Section 271(e) of the Companies Act, 2013 in terms of Prayer C above, the liquidator appointed for Chhattisgarh Highway Development Company Limited:

- i. reimburse an amount of INR 7,70,710 (plus applicable taxes) to IL&FS Transportation Networks Limited and an amount of INR 2,90,000 to the Applicant towards Resolution Process Costs already been incurred in connection with the resolution of Chhattisgarh Highway Development Company Limited (as of October 31, 2022) as per Annexure 51 hereto; and
 - ii. reimburse an amount of INR 1,10,000 to the Applicant which will be incurred towards the outstanding bills;
 - iii. reimburse any further amounts as may be incurred by IL&FS Transportation Networks Limited and/or the Applicant towards Resolution Process Costs of or in connection with the resolution of Chhattisgarh Highway Development Company from the liquidation proceeds of Chhattisgarh Highway Development Company Limited in priority over other dues of Chhattisgarh Highway Development Company Limited.
- E. For any further reliefs as this Hon'ble Tribunal deems fit and proper in the facts and circumstances.

Facts and Submissions advanced are as follows:

2. The present Application is filed in accordance with the Order and Judgment dated 12 March 2020 of the Hon'ble NCLAT in the Company Appeal Nos. 346 and 347 of 2020 seeking the reliefs detailed hereinabove. (Annexure 1 at pages 36 – 136)
3. The Applicant has filed the present Company Application ("Application") in the Company Petition (IB) No. 3638 of 2018 ("Petition") seeking an order from this Hon'ble Tribunal granting

approval to initiate closure of the following three entities forming a part of the Applicant Group in the following manner:

- i. initiate Corporate Insolvency Resolution Process ("CIRP") of Odisha Project Development Company Limited ("OPDCL") under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("IBC");
 - ii. initiate CIRP of Bihar e-Governance Services and Technologies Limited ("BEST") under Section 10 of the IBC and;
 - iii. initiate winding up of Chhattisgarh Highway Development Company Limited ("CHDCL") under Section 271(e) of the Companies Act, 2013 ("Act").
4. On October 1, 2018, the Petitioner filed the captioned Petition before this Hon'ble Tribunal under Section 241(2) read with Section 242(2) of the Act inter alia praying that the then existing Directors of the Applicant be superseded by new Directors. The Hon'ble Tribunal vide its order dated October 1, 2018 ("October 1 Order") suspended the then existing Directors of the Applicant; and appointed new Directors to the Board of the Applicant in place, ("New Board"). On appeal against October 1 Order, the Hon'ble NCLAT, vide its order dated October 15, 2018, stayed, inter alia, coercive creditor and other action against the Applicant Group in larger public interest ("October 15 Order").
5. The Applicant submitted the Initial Resolution Framework and the First Addendum & the Second Addendum to the Third Progress Report dated December 5, 2019 to the Petitioner (collectively, "Resolution Framework").

6. Pursuant to the directions of the Hon'ble NCLAT on February 4, 2019. Applicant Group entities were categorized (for the testing period up to December 31, 2019), in terms of which, OPDCL and CHDCL have been classified by the Resolution Consultant as "Red" entities. Further, BEST is a part of 'List of Red - Indian IL&FS Group Entities' as specified under the brief note dated January 13, 2020 prepared on behalf of the Applicant and filed by the Respondent.

7. In terms of the order passed by the Hon'ble NCLAT dated February 11, 2019, the resolution of all entities, including "Red" entities shall be in accordance with the Resolution Framework, subject to the supervision of Justice (Retd.) D. K. Jain, who was appointed to oversee the efforts of the New Board and approve resolution proposals. Further, by an order dated September 19, 2019, the Hon'ble NCLAT directed the Petitioner and the Applicant to determine the way forward for the resolution of all the "Red" entities as well as cases where there is no chance of resolution. A list of 55 such entities, including OPDCL, BEST and CHDCL, were communicated to the Petitioner which was in turn subsequently filed by the Petitioner with the Hon'ble NCLAT. By the virtue of the order dated March 12, 2020 passed by the Hon'ble NCLAT, the aforesaid 55 entities were excluded from the purview of the October 15 Order and their resolution was to continue as per the procedure suggested by the Petitioner which inter alia included the Resolution Framework and the procedures suggested in the February 2020 Affidavit where, amongst others, the resolution procedure such as closure/ termination/ liquidation under relevant laws for the 55 Applicant Group entities was set out.

8. Currently, OPDCL, BEST and CHDCL have no business activity and no business is envisaged going forward. OPDCL, BEST and CHDCL are non-operational entities and are incurring losses. There is little to no scope of monetizing and maximizing the values of assets of OPDCL, BEST and CHDCL in the facts and circumstances set out above. In light of the same the requisite corporate authorizations including but not limited to the New Board approval and the respective Board approvals have been obtained in furtherance of initiating closure of OPDCL, BEST and CHDCL.
9. Pursuant to the corporate authorisations received with respect OPDCL, BEST and CHDCL, the Applicant filed a consolidated memorandum of application dated October 28, 2022 before Justice (Retd.) D. K. Jain seeking approval for initiation of closure of OPDCL and BEST by the means of CIRP under section 10 of the IBC and winding up of CHDCL under Section 271(e) of the Act.
10. By a letter dated November 14, 2022 Justice (Retd.) D. K. Jain has accorded his approval for initiation of closure of OPDCL and BEST by the means of CIRP under section 10 of the IBC and winding up of CHDCL under Section 271(e) of the Act, subject to the proposal being presented before this Tribunal for its approval.

Findings:

11. We have considered the matter on hand in the background of facts and circumstances stated above. The Proposed action of initiation of CIRP has also been duly approved by Justice (Retd.) D.K. Jain, former judge of the Hon'ble Supreme Court appointed by the Hon'ble NCLAT to

oversee the resolution process of the Applicant Group in line with the Resolution Framework; and the mandate given by this Tribunal to the New Board. Since, the closure of entities is finalized through a high powered committee constituted in pursuance of the orders of the Hon'ble NCLAT, monitored by Justice (Retd.) D.K. Jain of the Hon'ble Supreme Court, this Tribunal has very limited scope and jurisdiction to interfere in such commercial decisions as it would lead to reopening of the decisions of a high powered committee.

12. Thus, we accord approval to the following actions in the interest of justice:
 - i. initiate Corporate Insolvency Resolution Process ("CIRP") of Odisha Project Development Company Limited ("OPDCL") under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("IBC");
 - ii. initiate CIRP of Bihar e-Governance Services and Technologies Limited ("BEST") under Section 10 of the IBC and;
 - iii. initiate winding up of Chhattisgarh Highway Development Company Limited ("CHDCL") under Section 271(e) of the Companies Act, 2013 ("Act").
13. The parties are directed to approach the respective stakeholders for grant of other reliefs claimed in the above Application.

14. With the aforesaid observation present **CA No. 660 of 2022 in CP (IB) No. 3638/MB/C-I/2018** stands disposed of as allowed in above terms of prayer clauses (A) to (C) without prejudice of course to any proceedings that any investigative or any other authorities may take against the erstwhile directors of the companies that are subject matter of this application.

Sd/-

ANU JAGMOHAN SINGH

Member (Technical)

06.07.2023
SAM

Sd/-

H. V. SUBBA RAO

Member (Judicial)