

INVITATION FOR EXPRESSION OF INTEREST

APPU HOTELS LIMITED

(Undergoing Insolvency Resolution Process)

1. BACKGROUND AND BRIEF PROFILE

Appu Hotels Limited (“**Corporate Debtor/the Company/AHL**”) is an unlisted public company and is classified as 'company limited by shares' which was incorporated on 06.04.1983 and is registered with the Registrar of Companies, Chennai. The Corporate Debtor. AHL set-up a 5-Star Deluxe Hotel viz. "Le Royal Meridien Chennai" with a capacity of 240 rooms and other attendant facilities at St. Thomas Mount, Chennai, Tamil Nadu, under the brand name “Le Royal Meridien’ of Marriott, the largest international hotel chain. The full-fledged operations of the hotel commenced in December 2000.

As part of expansion programme, AHL started another 5-Star Deluxe hotel with a complement of 254 rooms at Coimbatore, Tamil Nadu, the property was soft launched on the 12th December, 2010 and was opened to international booking from the 11th November, 2011 also under the brand name ‘Le Meridien’.

AHL also operates a Hotel Riverside Resort & Spa, Kumbakonam, Tamil Nadu, under operating lease from Tamil Nadu Tourism Development Corporation Ltd. (TNTDC) for 15 years from May 2007. Post taking on lease, the property was renovated and commissioned in October 2008.

CIN	U92490TN1983PLC009942
Company Name	Appu Hotels Limited
ROC Code	RoC – Chennai
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorized Capital (Rs.)	1150000000
Paid up Capital (Rs.)	897112330
Date of Incorporation	06/04/1983
Registered Address	PGP House, No.57, Sterling Road, Nungambakkam Chennai-600 034
Whether Listed or not	Unlisted
Date of Balance Sheet	31/03/2021

DETAILS OF ASSETS

As on 31.03.2021
(Book Value)

PARTICULARS	(AMOUNT IN RS.) (In Rs.)
Assets	
Non-Current Assets	
Property, Plant and Equipments	6,09,44,79,709
Capital WIP	28,32,844
Intangible Assets	
Non-Current Investments	10,80,900
Other Financial Assets	3,81,99,454
Tax Assets	1,11,22,677
Long –term loans and advances	
Other Non-Current Assets	6,21,15,734
Current assets	
(a) Inventories	3,15,49,255
(I) Trade Receivables	1,85,18,546
(II) Other Financial Assets	1,76,766
(III) Tax Assets	2,82,28,989
(IV) Cash & Cash Equivalents	18,98,726
(V) Bank Balance other than Cash and Cash Equivalents	1,48,93,642
(b) Other Current assets	1,10,50,705
Total	6,31,61,47,948

DETAILS OF LIABILITIES

As on 31.03.2021
(Book Value)

PARTICULAR	(AMOUNT IN RS.) (in Crores)
Equity and Liabilities	
Shareholder's Funds	
Share Capital	89,71,12,330

Reserves and surplus	76,92,03,570
Non-current Liabilities	
Long term borrowing	13,04,07,820
Other Financial liabilities	72,57,87,846
Long term Provisions	2,00,51,525
Other Non-Current Liabilities	43,46,94,456
Current Liabilities	
Borrowings	3,09,45,33,873
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,83,19,866
Other Financial Liabilities	8,42,15,418
Other current liabilities	2,70,61,028
Short –term provisions	47,60,215
Total Liabilities	6,31,61,47,948

Additional details could be arranged/provided to the prospective resolution applicants on request basis and necessary confidentiality undertaking to be executed before soliciting any critical information in connection to business operations (past & present) of the Corporate Debtor.

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INSOLVENCY RESOLUTION PROCESS

The Company, at present, is under the Corporate Insolvency Resolution Process in terms of provisions of Insolvency & Bankruptcy Code, 2016 vide an order of Hon'ble National Company Law Tribunal, Chennai dated 05.05.2020. The Resolution Professional was appointed vide the order of NCLT Chennai dated 02.11.2020. During the CIR Process resolution plan of individual resolution applicant Mr. M.K. Rajagopalan was approved by the NCLT, however, the order of Hon'ble NCLT Chennai approving the resolution plan was challenged by the promoters before the NCLAT Chennai. The NCLAT Chennai set aside the order approving the resolution plan vide its Order dated 17.02.2022 and directed the RP to issue Form G. Below are the dates of essential events in the instant matter:

Name of Resolution Professional	Mr. Radhakrishnan Dharmarajan
Date of pronouncement of order by the Hon'ble NCLT, Mumbai	05.05.2020
Date of Completion of CIRP Period	
Date of Public Announcement	09.05.2020 / 10.05.2020
Initial cut-off date of Receipt of Claim	21.05.2020
Date of Appointment of Resolution Professional	02.11.2020 (order received on 10.11.2020)
Publication of 1 st Form G	17.08.2020
Publication of 2 nd Form G	26.04.2022
Last date for receipt of Expression of Interest	15.05.2022
Date of NCLAT Order	17.02.2022 (Copy of Order received on 20.02.2022)
Total number of CoC meetings held	12

2. ELIGIBILITY CRITERIA

For the eligibility criteria approved by the Committee of Creditors in 12th meeting of the committee held on 18th April, 2022 at Chennai via video conferencing, kindly refer to Annexure 'B' of this document.

3. SUBMISSION OF EOI:

- a. Expression of Interest (EOI) is invited in a sealed envelope superscripted as "Expression of Interest for participating in CIRP of "Appu Hotels Limited", in the format as set out in Annexure 'A' of this document;

- b. Applicants shall meet the Eligibility Criteria as set out in Annexure 'B' of this document;
- c. Applicants shall submit the EOI along with the supporting documents set out in Annexure 'C' of this document;
- d. Applicants shall provide the details as set out in Annexure 'D' of this document;
- e. An applicant shall submit a sealed envelope containing a complete set of the documents listed above in hard copy along with the Annexures stated above, to the following address by post or deliver in person:

**RADHAKRISHNAN DHARMARAJAN
RESOLUTION PROFESSIONAL
IN THE MATTER OF APPU HOTELS LIMITED (UNDER CIRP)
D3, BLOCK 1, TRIUMPH APARTMENTS 114, JAWAHARLAL NEHRU
SALAI, ARUMBAKKAM, CHENNAI, TAMIL NADU-600106**

- f. A soft copy of the documents stated above shall also be mailed to rp.appuhotels@gmail.com on/before the last date of submission of EoI mentioned under Form G published i.e., on or before 15.05.2022 in the instant matter.

6. LAST DATE FOR SUBMISSION OF EOI:

The last date for submission of EOI is 15.05.2022 up to 6 P.M., which may be extended as may be decided by the CoC of Appu Hotels Limited.

All the EOIs received will be reviewed by RP on behalf of COC and shortlisted eligible applicants will be accordingly communicated. The Information Memorandum prepared as per the provisions of the Code including the details of the process and evaluation matrix, and access to Data Room/other data sharing platform will be shared with the eligible applicants upon their furnishing an undertaking of confidentiality in terms of provision of section 29(2) of IBC, 2016 read with Regulation 36(4) of the of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

The Prospective Resolution Applicants submitting the EOI must ensure that they do not suffer from any ineligibility in terms of the provisions of section 29A or any other provision of IBC, 2016 and furnish necessary undertaking in support of the same. (Refer Annexure 'E' for provision of Section 29A).

TERMS & CONDITIONS

- 1) RP/COC has the right to cancel or modify the process without assigning any reason and without any liability. In this regard please be informed that this is not an offer document and is issued with no commitment. Applicants should regularly visit the website www.appuhotels.in to keep themselves updated regarding clarifications/ amendments/ time-extensions, if any.
- 2) RP/COC reserves the right to withdraw EOI and change or vary any part thereof at any stage and also reserve the right to disqualify any Prospective Resolution Applicant, should it be so necessary at any stage.
- 3) No oral conversations or agreements with the Resolution Professional or any official, agent or employee of the Resolution Professional, or any member of the COC shall affect or modify any terms of this Invitation for EOI.
- 4) Neither the Prospective Resolution Applicant (PRA) nor any of representatives of the PRA shall have any claims whatsoever against the Resolution Professional or any member of the COC or any of their directors, officials, agents or employees of RP arising out of or relating to this Invitation for EOI.
- 5) By submitting a proposal, each Prospective Resolution Applicant shall be deemed to acknowledge that it has carefully read the entire EOI and all the relevant documents/information/process has fully informed itself as to all existing conditions and limitations.
- 6) Criteria for Eligibility - EOIs of only those interested parties who meet the eligibility criteria specified in **Annexure 'B'** will be considered. EOIs which do not meet the criteria shall be rejected.

“ANNEXURE - A”

[On the Letterhead of the Entity Submitting the EoI]

EXPRESSIONS OF INTEREST

Date: _____

To,

**RADHAKRISHNAN DHARMARAJAN
RESOLUTION PROFESSIONAL (“RP”)
IN THE MATTER OF APPU HOTELS LIMITED (UNDER CIRP)
D3, BLOCK 1, TRIUMPH APARTMENTS 114, JAWAHARLAL NEHRU SALAI,
ARUMBAKKAM, CHENNAI, TAMIL NADU-600106
E-mail ID: rp.appuhotels@gmail.com**

Subject: Expression of Interest (“EoI”) for submitting Resolution Plan for Appu Hotels Limited (AHL) (“Corporate Debtor”) undergoing Corporate Insolvency Resolution Process (CIRP).

Dear Sir,

In response to the public advertisement (“**Advertisement**”) inviting Expression of Interest for submission of resolution plans (“**EoI**”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”), we confirm that we have understood the eligibility criteria mentioned in ‘Annexure B’ to this EoI and meet the necessary threshold and criteria mentioned therein and submit our EoI for submission of a Resolution Plan for the Corporate Debtor.

Along with our EoI, we have also provided information as required in the prescribed format in ‘Annexure C’ and ‘Annexure D’.

We further undertake that the information furnished by us in this EoI and Annexures is true, correct, complete, and accurate to the best of our knowledge. Based on this information we understand you would be able to evaluate our document in order to establish the eligibility criteria for the above-mentioned proposal. Further, we agree and acknowledge that:

- (a) the EoI will be evaluated by the RP on behalf of the Committee of Creditors (“CoC”) of AHL based on the information provided in the Annexures and attached documents to determine whether we qualify to submit a proposal for the proposed transaction;
- (b) the RP/the CoC reserve the right to determine at their sole discretion, whether or not we qualify for the submission of the proposal and may reject the EOI submitted by us with/without assigning any reason, without any liability whatsoever;
- (c) the RP/the CoC reserve the right to request for additional information or clarification from us for the purposes of the EOI and we shall promptly comply with such requirements. Failure to satisfy the queries of RP/CoC may lead to rejection of our submission pursuant to EOI;
- (d) Meeting the qualification criteria set out in EOI / Annexure – B alone does not automatically entitle us to participate in the next stage of the bid process;
- (e) We are not an ineligible person(s) in terms of provisions of Section 29A of the IBC, 2016. We are ‘fit and proper’ person and not under any legal disability to be a promoter entity of the Company under the applicable laws including listing agreements, stock exchange requirements and SEBI regulations and guidelines whatsoever;
- (f) I/We shall intimate the Resolution Professional forthwith if I/We become ineligible under section 29A of the IBC at any time during the corporate insolvency resolution process;
- (g) I/We undertake that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render our EOI ineligible for further processing and/or ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code;
- (h) I/We undertake that I/We shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.

Yours Sincerely,

On behalf of [*Insert the name of the entity submitting the EoI*]

Signature: _____

Name of Signatory:

Designation:

Company Seal/Stamp

NOTE: The person signing the EoI and other supporting documents should be an authorized signatory supported by necessary board resolutions/authorization letter.

“ANNEXURE – B”

ELIGIBILITY CRITERIA FOR QUALIFICATION

In the 12th meeting of Committee of Creditors of Appu Hotels Limited held on 18th April 2022 the following eligibility criterion was decided by the members of CoC for a Prospective Resolution Applicant to participate in the Insolvency Resolution Process of the Corporate Debtor, for submission of Resolution Plan:

1) Category A – In case of an individual

- Minimum tangible net-worth of INR 25 crores as per the Income Tax return for the three consecutive financial years- FY 2018-19, 2019-20 and 2020-21.

2) Category B - In case of a private/public limited company, LLP, body corporate incorporated in India:

- Minimum tangible net worth (TNW) of INR 50 crores and minimum turnover of INR 100 crores (excluding trading revenue), as per the audited balance sheet for the Financial Year 2020-21;
- Tangible Net Worth shall be aggregate value of paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred revenue expenditures and miscellaneous expenditure not written-off. The reserves do not include capital reserves created out of revaluation of assets and write back of depreciation and amalgamation;
- For fulfilling the group criteria, the entities shown as part of Group must have either the controlling interest over or controlled by or under common control with the Prospective Resolution Applicant (“PRA”). Control means at least 26% ownership. The entities must have been part of the Group for at least 3 years.

3) Category C - In case of Financial Investors (FI) / Mutual Funds / Private Equity / Venture Capital Funds / Domestic/ foreign Investment institutions, Non-Banking Finance Companies (NBFC), Asset Reconstruction Companies, Banks and similar entities:

- Total assets under Management (AUM) / Loan Portfolio shall be at least INR 100 crores at the end of the Financial Year 2020-21;
- Committed funds available for investment /deployment in Indian companies or Indian assets of INR 250 Crore at the end of the Financial Year 2020-21;
- FI here means the FI as defined under Section 45 I (c) of RBI Act and NBFC here means the NBFC as defined under Section 45 I (f) of RBI Act.

4) Category D - In case of bidding as a consortium:

- PRA may be a “Consortium”. Consortium shall mean any person acting together with another person as a consortium/joint bidder or joint venture (whether incorporated or not) for the purpose of submission of the EOI and Resolution Plan in respect of the Corporate Debtor;
- Lead member must hold at least 26% equity in the consortium;
- In case of consortium of individuals, TNW shall be calculated based on weighted average of their respective net worth i.e., the aggregates of such portions of their TNW, as is proportionate to their shareholding in the consortium, will count towards the qualification criteria of TNW under this EoI. The Consortium *per-se* should satisfy condition of category A;
- In case the consortium is of body corporates, TNW and turnover of consortium shall be calculated based on their weighted average i.e., the aggregates of such portions of their TNW and turnover, as is proportionate to their shareholding in the consortium, will count towards the qualification criteria of TNW and turnover under this EOI. The consortium *per-se* should satisfy condition of Category B;
- In case the consortium is of FIs/Funds/PE Investors/NBFCs/Any other applicants, AUM / Loan Portfolio of consortium shall be calculated based on their weighted average i.e. the aggregate of such portions of their AUM/Loan Portfolio as it proportionate to their shareholding in the consortium will count towards the qualification criteria of AUM/Loan Portfolio. Similarly, the committed funds available for investment/deployment in Indian companies or Indian assets shall be based on their weighted average i.e., the aggregate of such portion of their committed funds available for investment /deployments in Indian companies or Indian assets as is proportionate to their shareholding in the consortium will count towards the qualification criteria of committed funds. The consortium *per-se* should satisfy condition of Category C;

- If members are from Category A & B, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e., each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category B & C, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e., each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category A & C, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e., each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category A, B & C, the criteria for TNW / Turnover / AUM would again be based on share of a particular member in the consortium i.e., it will be in proportion to their shareholding in the consortium. The consortium members belonging to Category A, Category B and Category C should independently satisfy the criteria for Category A, Category B and Category C as recalculated based on their share in the consortium;
- No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after the last date for submission of EOI.

For all categories (except Individual applicants), the Prospective Resolution Applicant should be a profit-making entity/company for last three financial years i.e., 2018-19, 2019-20 and 2020-21 (audited figures) [for listed companies, quarterly results of first three quarters of ongoing financial year also to be submitted].

Please note that a Prospective Resolution Applicant with negative tangible net-worth shall not be qualified under any category(ies) mentioned above.

None of the Prospective Resolution Applicant(s), should attract any of the in-eligibilities enlisted under provisions of Section 29A of IBC.

“ANNEXURE – C”

SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI

- 1) For all PRAs - Profile of the PRA;
- 2) Income Tax Return for immediately preceding 3 (three) financial years of the PRA along with the details of Balance Sheets and Profit & Loss account for the corresponding years;
- 3) Copies of Certificate of Incorporation/ Registration and Constitutional Documents (MoA and AoA);
- 4) Audited financial statements for immediately preceding 3 (three) financial years;
- 5) Relevant statement of funds availability of the PRA and/or promoter/promoter group or any other group company, as per the eligibility criteria;
- 6) Certificate from Statutory Auditor or Chartered Accountant certifying as at end of last 3 financial years
 - a. TNW;
 - b. AUM/loans & advances;

“ANNEXURE-D”

1. Name and Address:

- a. Name of the Individual/Firm/Company/Organisation:
- b. Address:
- c. Telephone No:
- d. Fax (if any):
- e. Email:

2. Date of Establishment of Firm/Company/Organization:

3. Core Area of Expertise:

4. Contact Person:

- a. Name:
- b. Designation:
- c. Telephone No:
- d. Email:

5. Company/FI Profile:

- a. Company Financial Profile (consolidated / standalone as applicable):

[Note: The Company profile should necessarily include tangible net worth and revenue numbers of the preceding three years. Where the entity submitting the EoI is a financial investor /fund entity, please provide details pertaining to “assets under management”. Further, the fulfilment of qualification criteria must be clearly identified/certified herein.]

- b. Experience of the Company in the relevant sector.
- c. History if any, of the Company or affiliates of the Company being declared a ‘wilful defaulter’, ‘non-cooperative borrower’, ‘non-impaired asset’ or ‘non-performing asset’.

“ANNEXURE - E”

I/We hereby solemnly declare/undertake that I/We have gone through the entire document, read the eligibility criteria, understood the stated terms & conditions and upon considerate perusal of the clauses and the provisions of Section 29A of Insolvency and Bankruptcy Code, 2016 (mentioned hereunder) in entirety, declare that I/We is/are not disqualified (partially or fully) under the said provisions of Section 29 A of the Insolvency and Bankruptcy Code, 2016 or any other clause of this document.

“29 A. Persons not eligible to be resolution applicant.

A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

(a) is an undischarged insolvent;

(b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);

(c) at the time of submission of the resolution plan has an account,] or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan:

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date.

Explanation II.— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;

(d) has been convicted for any offence punishable with imprisonment –

(i) for two years or more under any Act specified under the Twelfth Schedule; or

(ii) for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of Explanation I;

(e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):

Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

(f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

(h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;

(i) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or

(j) has a connected person not eligible under clauses (a) to (i).

Explanation I. — For the purposes of this clause, the expression "connected person" means—

(i) any person who is the promoter or in the management or control of the resolution applicant; or

(ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or

(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

Provided that nothing in clause (iii) of Explanation I shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date;

Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—

(a) a scheduled bank;

(b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding;

(c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);

(d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(e) an Alternate Investment Fund registered with Securities and Exchange Board of India;

(f) such categories of persons as may be notified by the Central Government.”

Further emphasis needs to be given to provisions of Section 240A of the Insolvency and Bankruptcy Code, 2016 and the exceptions provided therein.

“240A. Application of this Code to micro, small and medium enterprises.

(1) Notwithstanding anything to the contrary contained in this Code, the provisions of clauses (c) and (h) of section 29A shall not apply to the resolution applicant in respect of corporate insolvency resolution process of any micro, small and medium enterprises.

(2) Subject to sub-section (1), the Central Government may, in the public interest, by notification, direct that any of the provisions of this Code shall—

(a) not apply to micro, small and medium enterprises; or

(b) apply to micro, small and medium enterprises, with such modifications as may be specified in the notification.

(3) *A draft of every notification proposed to be issued under subsection (2), shall be laid before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions.*

(4) *If both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or shall be issued only in such modified form as may be agreed upon by both the Houses, as the case may be.*

(5) *The period of thirty days referred to in sub-section (3) shall not include any period during which the House referred to in sub-section (4) is prorogued or adjourned for more than four consecutive days.*

(6) *Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament.*

Explanation.— For the purposes of this section, the expression "micro, small and medium enterprises" means any class or classes of enterprises classified as such under sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)."
