

**Frequently Asked Questions (“FAQs”) by the EOI applicants/ Bidders of ABG Shipyard
and the Liquidators responses thereon - Version 1.0**

1. **Query:** Which are the taxes that the successful bidder has to bear? Taxes like Custom Duty, excise Duty, GST, TDS etc.,

Response:

- i) GST and TCS are payable and any other taxes / levies applicable at the time of removal, however It is advised to seek independent legal advice on the interpretation thereof vis-à-vis the sale process and this query. It is clarified that clause 14.2 of the sale process document deals with the clarification in respect of this query.
- ii) Also , Kindly refer order of the Hon’ble National Company Law Tribunal Ahmedabad in IA 474 of 2019 in CP 53 of 2017 dated 25 February 2020, in which customs duty is not payable.

2. **Query:** What is the rate of GST applicable? are there any additional taxes applicable on sale?

Response: GST @ 18% is payable. Additionally, TCS @1% would be also be applicable on the Metal and Scrap assets. Further, It is advisable to seek independent tax advice on the applicability and interpretation.

3. **Query:** Successful bidder is liable to pay only GST, or other charges like stamp duty, transfer charges, fees, taxes, statutory / non-statutory dues, taxes, rates assessment charges fees etc.? Who shall bear the Custom Duty, Excise Duty etc.?

Response: It is clarified that clause 14 of the sale process document deals with the clarification in respect of this query. Further, it is advised to seek independent legal / tax advice on the applicability and interpretation. Ref point no 1. Above. All the taxes related to property , pending non statutory dues etc will be paid by the buyer.

4. **Query:** Is it possible to secure the Liquidators survey report about items lying in the Surat and Dahej yard with their estimated weights?

Response: Each interested party/bidder should, conduct its own due-diligence, investigations and analysis and should also check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained and should get independent advice from appropriate sources. The liquidator has already shared the data deemed necessary and available in the VDR with the eligible EOI applicants. Detailed clarifications in respect of the Due Diligence have been made available in the clause 6 of the Sale Process Document. The materials / assets are sold on “as is where is basis” , “as is what is basis”.

5. **Query:** Whether the EOT Cranes are included in the Sheds and warehouses of Surat and Dahej Shipyard? Whether the EOT cranes includes its rail on which it runs? Whether Electricals Bus bar of crane fitted into shed to provide power to crane is included in EOT Crane? Whether EOT

crane includes all its electricals, board, switches fitted in shed for crane operation? How are our queries in relation to inclusion / exclusion of certain assets in the parcel to be dealt with by the Liquidator?

Response:

- i) A detailed response in respect of the EOT Cranes and inclusions and exclusions of assets from the Metal Sheds & Warehouses shall be made available at a subsequent stage.
 - ii) As of now, as per the terms of the second amendment to the Advertisement dated 31 August 2020, Only those EOI applicants, who are keen to bid for the asset lots specified and referred as Group I Assets are required to submit LOI as per the process specified in the Sale Process Document All the EOI applicants interested to participate in respect of the assets other than the Group I Assets shall be intimated w.r.t the Sale Process other than Group I assets after the process in respect of the Group I assets is completed.
 - iii) As per the terms of clause 9.2 of the Sale Process Document, upon collation of the LOI, the Joint Sale Asset Memorandum is proposed to be executed between the bidders and the Liquidator. The Liquidator shall arrange a joint meeting with the bidders at the sites in order to conduct a joint verification of the sale assets with a view to capture mutual agreement w.r.t inclusions and exclusions of the assets contained in the relevant lots.
6. **Query:** Whether the Gantry cranes includes its electrical, Rails track fitted on ground? whether All tractors, trolley, trailers, moveable cranes, wheel mounted loaders are included in the Plant & machinery? Whether all the material lying outside of stores, which is not kept in stores lock & key are included in general metal and scrap items? Whether all machines lying in field and outside stores are included in the plant & Machinery or in Ship Stores? Etc. How are our queries in relation to inclusion / exclusion of certain assets in the parcel to be dealt with by the Liquidator?

Response:

- i) As of now, as per the terms of the second amendment to the Advertisement dated 31 August 2020, Only those EOI applicants, who are keen to bid for the asset lots specified and referred as Group I Assets are required to submit LOI as per the process specified in the Sale Process Document All the EOI applicants interested to participate in respect of the assets other than the Group I Assets shall be intimated w.r.t the Sale Process other than Group I assets after the process in respect of the Group I assets is completed.
- ii) As per the terms of clause 9.2 of the Sale Process Document, upon collation of the LOI, the Joint Sale Asset Memorandum is proposed to be executed between the bidders and the Liquidator. The Liquidator shall arrange a joint meeting with the bidders at the sites in order to conduct a joint verification of the sale assets with a view to capture mutual agreement w.r.t inclusions and exclusions of the assets contained in the relevant lots.

7. **Query:** Who would be required to bear all taxes, maintenance fee, Electricity, water charges, annual lease rental, unearned income in case of leasehold properties, operational charges etc.? who is responsible and required to bear these?

Response: It is clarified and as also mentioned in the Sale Process Document, all charges, taxes and costs associated with the sale assets shall be borne by the Successful Bidder. However, it is not possible to comprehensively quantify all the charges that may arise at the time of sale. It is advised that an independent assessment and due diligence in respect of the same be carried out by the bidder. The EOI applicants are requested to refer the clause 14 of the Sale Process Document and the terms contained in the Sale Process Document for more clarity.

8. **Query:** Which is the applicable format in respect of Earnest Money Deposit payable by the Associate of the bidder? What is the eligibility of the Associate?

Response: FORMAT V - Earnest Money Amount Payment by An Associate Company as contained in the Sale Process Document is the applicable Format. It may be noted that the Bidder may request the Liquidator to permit the Bidder to submit the EMD through its Associate. Such payment of the EMD by an Associate of the Bidder shall be accompanied by a letter in the format set out in Format V (Earnest Money Amount Payment by an Associate Company). Such an Associate must also be an eligible Bidder as per the requirements specified in the Sale Process Document.

9. **Query:** Where can we locate the of BG format in respect of the balance 90% payment?

Response: Format VI contains the format of the Bank Guarantee.

10. **Query:** When is the Successful Bidder allowed to lift the material? How much time is allowed to lift the material lot wise, and if there is any delay in lifting of material, due to any reason which is beyond control of the Successful Bidder, like strike, lockdown, ACT of God, Court stay, then what is the extra time that will be allowed ?

Response:

- i) It is clarified that as per the I&B Code and the applicable Liquidation Regulation, Successful Bidder shall be entitled to lift any part of the any asset only after Liquidator is in receipt of full consideration towards such asset.
 - ii) In terms of timeframe of lifting post confirmation of receipt of complete sale consideration, Successful Bidder for the respective asset parcels shall be allowed a maximum time of 6 months from the date of confirmation by the Liquidator having received complete sale consideration towards the asset parcels. Further, extension of 3 months could be allowed at the sole discretion of the Liquidator.
11. **Query:** What is the maximum time permissible to secure physical possession of the land assets? Whether successful Bidders for land parcels (other than contained in Parcel 10) eligible for compensation from the Successful Bidders of Metal / Scrap items?

Response: The physical possession of the land assets shall be granted in either 9 months or upon removal of the materials on the land whichever is earlier subject to any extension as deemed necessary under this clause at the sole option of the Liquidator. A charge of Rs. 15 lacs per month will be levied on Successful Bidders for all materials including all movables (excluding Successful Bidders for land parcels), if such asset is not lifted within the said timeframe

12. **Query:** Are the above timeframes in respect of the removal of the materials and /or physical possession of the land assets subject to change?

Response: The Liquidator reserves right to revise/amend any timeframe contained in the Sale Process Document without incurring any liability

13. **Query:** If Successful Bidders are bidding in consortium, then is it required to submit a consortium agreement? Is there any particular format for the same?

Response: The consortium agreements between the parties will be as per the applicable provisions of law. There is no specific format prescribed under the Sale Process Document. If EoI Applicant/ Bidder is bidding in consortium, each member of the consortium shall individually submit all documents/annexures required under this Sale Process Document. However, the documents of each member of the consortium shall be submitted to the Liquidator collectively along with a cover letter stating the lead member of the consortium, who will be treated as the prospective bidder.

14. **Query:** Can we get a certificate from the Liquidator that the Sale Assets are free from all charges and encumbrances? Whether there will be any claim of workers, labour and staff dues etc. attached with the asset lots? Will the assets be free from all these liabilities? Whether there are any existing and future encumbrances/claims/dues/demands on the assets? There are no papers or any title related details available in respect of certain properties etc. what is required to be done on the part of the EOI applicants in such case?

Response: It is advised that EOI Applicants may make their own independent inquiries regarding the encumbrances, title of assets put on auction and claims/rights/dues/ affecting the assets and should conduct their own due diligence prior to submitting their bid. The Sale Document does not constitute and will not be deemed to constitute any commitment or any representation of the Liquidator. The property is being sold with all the existing and future encumbrances/claims/dues/demands whether known or unknown to the Liquidator. Liquidator shall not be responsible in any way for any third-party claims/ rights/ dues. The Liquidator shall endeavour to provide assistance on a best effort basis to facilitate the conduct of due diligence by the EoI Applicants. The information and documents available with the Liquidator shall be provided by the Liquidator in good faith and on a best effort basis

15. **Query:** What is the mode to deposit the EMD? Can the EMD be submitted in the form of a BG or other forms?

Response: In terms of clause 11.4.3 of the Sale Process Document, the earnest money deposit ("EMD") amount had to be deposited by the bidder through RTGS /NEFT in to the account

specified in clause 11.4.3 of the Sale Process Document and no deviation therefrom will be permitted.

16. **Query:** What is the deadline for making balance payment of balance 90% by the successful bidder? Which Liquidation Regulations are applicable in respect of making complete payments by the Successful Bidder in respect of the Sale Assets?

Response:

- i) Successful Bidder has to make payment within 15 days of declared Successful Bidder by the Liquidator. The payment has to be a direct remittance of the amount into Liquidation Account. Security receipts or non - cash instruments will not be accepted
- ii) It is clarified that the Regulation allowing 90 days for payment, is an amendment introduced vide Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations dated 25 July 2019. The Insolvency and Bankruptcy Board of India issued a circular dated 26 August 2019, wherein it is expressly stipulated as under;

It is reiterated that the provisions of the Amendment Regulations are not applicable to the liquidation processes, which had commenced before coming into force of the said Amendment Regulations and that they are applicable only to liquidation processes, which commenced on or after 25th July, 2019 subject to the clarification made thereunder.

Therefore, as per the Liquidation Regulations applicable to ABG Shipyard Ltd., given that liquidation process had commenced prior to 25 July 2019, the earlier regulation for payment within 15 days remains applicable. Any deviation in the same would require Adjudicating authority Approval.

17. **Query:** If due to any reason the payment is delayed beyond 90 days, then what rate of interest is payable.

Response: It is clarified that as set out in the Sale Process Document, the EMD of the Successful Bidder will be forfeited by the Liquidator in case the Successful Bidder is unable to make complete payments as stipulated under this Sale Process Document, that includes default of the payment of Sale Consideration. As clarified in the Sale Process Document, the payment in respect of the sale assets by the Successful Bidder is to be completed within 15 days as per the I&B Code and applicable Liquidation Regulations.

Further, as stated in the Sale Process Document, the Liquidator reserves the right and may accept the bid and retain EMD of the second highest Bidder, in the event the Successful Bidder fails to pay the Sale Consideration within the stipulated period.

18. **Query:** Can we purchase / bid for the assets jointly? How to execute / complete the documentation?

Response: If EoI Applicant/ Bidder is bidding in consortium, each member of the consortium shall individually submit all documents/annexures required under this Sale Process Document. However, the documents of each member of the consortium shall be submitted to the Liquidator

collectively along with a cover letter stating the lead member of the consortium, who will be treated as the prospective bidder. You are also requested refer Schedule E which answers your query. We would require the name of the final buyers before the Auction.

19. **Query:** Are there any further arrears/dues/ penalties etc due on the properties? Who has to bear all pending Govt., Statutory dues, pending electricity, water charges, municipal taxes etc. etc.

Response: Kindly refer clause 14 in the sale process document (Costs, expenses and tax implications) the EOI applicant/ Bidder is responsible for all the costs, taxes, duties etc. in relation to the sale assets. Further as per clause 6 of the Sale Process Document, all local taxes / maintenance fee / electricity / water charges/ annual lease rentals/ unearned income in case of leasehold properties, operational charges etc., outstanding as on date or yet to fall due in respect of the relevant asset should be ascertained by the EoI Applicant and would be borne by the Successful Bidder.

20. **Query:** What is the reserve price of the property at Ahmedabad?

Response: The price contained in the Advertisement and the Sale Process Document in respect of the Ahmedabad Flat is the base price and not the reserve price for said asset.

21. **Query:** If the successful bidder intends to take a housing loan, what is the process then?

Response: The Successful Bidder is required to submit an unconditional irrevocable without recourse Bank Guarantee / Letter of Credit to the Liquidator for the balance Sale Consideration within 4 days from being declared as the Successful Bidder. As per the schedule of payment provided in the sale process document, successful bidder shall be invited to provide balance of sale consideration within 15 days from the date he is so invited, through direct remittance of the amount into Liquidation account. Ref query 16 also.

22. **Query:** We understand from the Sale process document that certain documents are to be submitted along with LOI as per Annexure to Format III of the Sale Process Document. Clause 6 of the said format III requires us to submit - Demonstration of fund availability. Bank certificate substantiating funds availability of the EOI Applicant. In case of Asset Reconstruction Company or the like, a CA certificate confirming funds deployable will have to be provided. To what extent the demonstration has to be made? Can we submit a letter of commitment from the NBFC to that extent?

Response: Demonstration of fund availability has to be demonstrated to the extent of reserve price of the parcel as per advertisement dated 31 Aug 2020 you intend to bid for. Further, the Commitment letters should be submitted from PSU/ Private Banks. It is clarified that as set out in the Sale Process Document, the EMD of the Successful Bidder will be forfeited by the Liquidator in case the Successful Bidder is unable to make complete payments as stipulated under this Sale Process Document, that includes default of the payment of Sale Consideration. As clarified in the Sale Process Document, the payment in respect of the sale assets by the Successful Bidder is to be completed within 15 days as per the I&B Code and applicable Liquidation Regulations.

23. **Query:** How 10% of the EMD has to be computed in respect of the Asset Parcels? Are we required to submit separate EMD in respect of each Asset Parcel we are bidding for?

Response: Kindly refer the advertisement dated August 31, 2020 along with the updated Sale Process Document. EMD is required to be submitted by the bidders of Group I assets at 10% of the reserve price of each of the asset parcel is required to be submitted towards EMD via NEFT/ RTGS.

24. **Query:** In case we bid for multiple asset parcels of Group I assets, then we shall be able to see the sale process of all the bid items, in a single window or not. Please share your auction platform details.

Response: The E-Auction is proposed to be conducted through Tiger Auction E-Auction portal. Kindly note that proper training shall be provided to the Qualified Bidders for bidding on the E-auction platform. However, bidder shall be able to view only the bids by all the successful bidders in respect of those asset parcels / categories where interest has been submitted and in respect of which 10% EMD has been deposited with the Liquidator and the bidder has been declared as a Qualified Bidder by the Liquidator.

25. **Query:** As indicated by our bankers, once our credit limit is used for submitting Bank Guarantee (“BG”), then the same limit cannot be used for making the cash payment to the liquidator until and unless the B.G is cancelled.

Response: Kindly note that the Liquidator shall be holding EMD @ 10 % as security for the performance. In respect of the Terms of Payment, kindly refer the Sale Process Document updated as on September 01, 2020. Please note that an unconditional irrevocable without recourse BG / LC is required to be submitted by successful bidder for the balance sale consideration within 4 days of being declared as the successful bidder. The Liquidator may choose to return the BG to the successful Bidder to enable him make payment within 15 days. The EMD of the Successful Bidder will be forfeited by the Liquidator in case the Successful Bidder is unable to make complete payments as stipulated under the terms of the Sale Process Document, that includes default of the payment of Sale Consideration. The Successful Bidders are required to adhere to the timelines for making payments as per the terms contained in the Sale Process Document.

26. **Query:** What is the format of the Joint Sale Asset Memorandum?

Response: This shall be provided in due course

27. **Query:** What is the process of withdrawal of Interest? At what stage the same can be withdrawn?

Response: The bidders are requested to intimate the Liquidator in writing confirming their withdrawal from the process. The withdrawal shall be permissible only before E-Auction is conducted by the Liquidator in respect of the Asset Parcels. Any time after this stage, 100% of the EMD submitted by the bidder is liable to be forfeited. In addition to the above, the grounds of forfeiture of the EMD are elaborated in the Sale Process Document.

28. **Query:** What will be EMD Refund policy for bids which are not 1st or 2nd Highest bid? What if the auction is unsuccessful?

Response: The EMD of unsuccessful Bidders shall be refunded and shall not bear any interest, as per the terms in the Sale Process Document. In case the auction fails, then the EMD paid by the Bidders shall be returned (without interest) to such applicant within 15 working days of the date of closure of auction.

29. **Query:** Can we do purchase registration in the name of Nominee? Is the EOI Applicant / Bidder / Qualified Bidder is required to be the intended legal and beneficial owner?

Response: Kindly refer Schedule E clause 8 and the sale process document, the EOI applicant / Bidder / Qualified bidder must be the intended legal and beneficial owner of the sale asset. Further, the sale asset would be handed over to the successful bidder only after it is confirmed that the said successful bidder is eligible in terms of section 29A of IBC.

30. **Query:** What is the status of the Ship lift? Where is it included?

Response: The Shiplift situated in Dahej shall form part of Asset Lot No.5 to be sold to the successful bidder along with Dahej Land & Building.

31. **Query:** What is the last date of submission of the EOI & LOI?

Response: The last date of submission of EOI is 1 Sep 2020. The last date of submission of LOI is 7 Sep 2020. The Liquidator reserves all his rights under the sale process.

32. **Query:** Is ABG Shipyard a Going Concern? can we participate in the Sale Process and submit our bids in relation to ABG Shipyard as a Going Concern?

Response: It is pertinent to note that the Company is not being run as a going concern and the same has been recorded by the National Company Law Tribunal, Ahmedabad in its order dated 25 April 2020, for liquidating the Company. The Company not being run as a going concern has also been clearly stated in Schedule D of the Sale Process Document. It is further clarified that the sale through this process is for 'Asset Sale' and sale of equity / company as a going concern is not envisaged.

33. **Query:** What are the rights of the EOI Applicant in relation to seeking time extensions for completion of the Due Diligence / Site visits etc.?

Response: The submission of EoI, shall render the applicant/ prospective bidder agreeable to participating at the current stage at which the Sale Process for ABG's liquidation is at and in accordance with the provisions of Sale Process Document. The applicant/ prospective bidder/ participant shall not challenge nor seek extension or relaxation in any timelines (including but not limited to the timelines for conducting the due diligence) and/or terms and conditions of the Sale Process Document. Presently the last day for completion of site visit/ conduct of due diligence and submission of LOI is 7 September 2020.

34. **Query:** What are the implications of concealment of material information or making a wrongful statement?

Response: If the EoI Applicant /Bidder conceals any material information or makes a wrong statement or misrepresents facts or makes a misleading statement in any manner whatsoever, the Liquidator reserves the right to reject and disqualify such EoI Applicant /Bidder from Sale Process and forfeit the Earnest Money Deposit. The EoI Applicant /Bidder shall be solely responsible for such disqualification.

35. **Query:** Can the Liquidator request additional information, documents, clarifications from the EOI Applicants / Bidders including w.r.t the financial strength of the EOI Applicant / Bidder?

Response: Clauses 22 and 29 of the Schedule E of the Sale Process Document authorize the Liquidator to seek clarifications / obtain additional information. As per the terms of the clause 22 of the Sale Process Document, The EoI Applicant /Bidder represents that it has the necessary financial resources available to meet the payment obligations for Sale Consideration in case of being selected as Successful Bidder, as per the terms and conditions under the Sale Process Document .Clause 29 of the Sale Process Document stipulates that the Liquidator has right to any demand documents from EoI Applicant /Bidder relevant to the process and in case the documents are not provided, the Liquidator may disqualify the Bid. The Liquidator shall act in his sole discretion in this regard in consultation with the stakeholders, with a view to ensuring maximization of value of the assets of the Company, in accordance with the applicable law.

36. **Query:** Is there any order of Bid Preference in respect of the Asset parcels (Group 1 Assets)?

Response: Yes, the following are pertinent to note. The order of Bid Preference is explained with an example in the clause 11.3 of the Sale Process Document. Preference will be given to the bidders bidding for the Parcels in the order listed under the column ‘preference’ over all bids for rest of the Parcels, as per terms of this clause.

Kindly refer the Sale Assets and preference that Bids for the same will be given in so far as declaration of Successful Bidder goes.

Category	Asset	Preference
Parcel 1	ABG Shipyard as a whole	1 st
Sequence of preference for persons buying only Metal and Other Scrap:		
Parcel 2 and 3	Metal and Other assets in Surat I, Surat II and Dahej Shipyard (with or without Sheds)	2 nd
Parcel 4 and 5	Metal and Other assets in Surat I and Surat II Shipyard (with or without Sheds)	3 rd
Parcel 6 and 7	Metal and Other assets in Dahej Shipyard (with or without Sheds)	3 rd

Category	Asset	Preference
Persons bidding for Parcel nos. 10, 11 and 12 will be bidding independently of the preferences stated herein above and Successful Bidder for said Parcels will be the final Buyer for said Parcels, subject to compliance to applicable terms herein.		
		NA

i) Sale Assets have been categorized in Parcels to facilitate the bidding process, as per parcels defined under Schedule-DA (Group 1 Asset Parcels) and described more particularly under Schedule-D hereto. Preference will be given to the bidders bidding for the Parcels in the order listed under the column 'preference' over all bids for rest of the Parcels, as per terms of this clause.

ii) In case of the successful bid being selected as per the order of preference given in the Sale Process Document, bids for the rest of the Parcels (lower in the order of preference) will be cancelled/ annulled and would have the same effect as if the bids were not accepted. Notwithstanding anything contained hereunder, the Liquidator reserves his right to give preference to Bidders submitting bids which maximise the overall value to stakeholders. The Liquidator reserves his right to give preference to Bidders submitting bids which maximise the overall value to stakeholders.

iii) Notwithstanding anything contained hereunder, The Liquidator reserves his right to give preference to Bidders submitting bids which maximise the overall value to stakeholders. The same is illustrated as below

*Illustration: The highest bid ("**Bid X**") received to purchase the sale assets for Parcel A (comprising Lot I and Lot II) is Rs. 600; and*

*The highest bid ("**Bid Y**") received to purchase the sale assets for Parcel B (comprising Lot III and Lot IV) is Rs. 200; and*

*The highest bid ("**Bid Z**") received to purchase the sale assets for Parcel C (comprising Parcel A and Parcel B i.e. Lot I + Lot II + Lot III + Lot IV) is Rs. 600.*

In such a situation the Liquidator reserves his right to give preference Bid X and Bid Y over Bid Z in order to maximise the overall value to the stakeholders. Further, the Liquidator reserves his right to conduct inter-se bidding between the Bidders who have submitted Bid X and Bid Y on one part and Bid Z on the other part. However, Bidder submitting Bid Z shall have the right to match the Bid X and Bid Y and purchase the assets in Parcel C

iii) It is further expressly stipulated, in the event there is a Successful Bidder of Asset Parcel no. 8 and 9, in such case, the 'Sheds' even if forming a part of any other Successful Bid for any other Asset Parcel, shall be removed from the said other Asset Parcel and reserve price

of such other Asset Parcel shall be reduced from consideration towards the said Asset Parcel and the Sheds will be sold to Successful Bidder of Asset Parcel no. 8 and 9.

37. **Query:** How do we keep ourselves updated on the Sale Process and the terms and conditions in relation to the Sale Process?

Response: All the interested parties are requested to keep themselves updated by visiting the website of ABG Shipyard Ltd. on <http://www.abgindia.com/media-main.htm>.

38. **Query:** Who are the Connected Persons as per Section 29A of the IBC?

Response: As per the provisions of the IB Code, The expression “connected person” means:

- I. Any person who is the promoter or in the management or control of the sale process applicant/ Buyer; or
- II. Any person who shall be the promoter or in management or control of the assets of the Company pursuant to sale thereof as part of the liquidation process of the Company; or
- III. The holding company, subsidiary company, associate company or **related party** of a person referred to in clauses (I) and (II)

Further as per Section 2(76) of the Companies Act, 2013, **“related party”, with reference to a company**, means—,

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager [or his relative] is a member or director;
- (v) a public company in which a director or manager is a director 2[and holds] along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any body corporate which is—
 - (A) a holding, subsidiary or an associate company of such company;
 - (B) a subsidiary of a holding company to which it is also a subsidiary; or
 - (C) an investing company or the venturer of the company;"

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) such other person [as may be prescribed](#) i.e. a director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

Further, as per Section 2(77) of the Companies Act, 2013, "relative", with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed i.e.:
 - (1) Father: Provided that the term “Father” includes step-father.
 - (2) Mother: Provided that the term “Mother” includes the step-mother.
 - (3) Son: Provided that the term “Son” includes the step-son.
 - (4) Son’s wife.

- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother: Provided that the term "Brother" includes the step-brother;
- (8) Sister: Provided that the term "Sister" includes the step-sister.

39. **Query:** What is the Mode of sale envisaged under the current sale of the assets of ABG Shipyard Ltd.?

Response: Under the current process, the sale of the assets is envisaged as per the Regulation 32 (a), (c) and (d) of the Liquidation Process Regulations 2016.

Please feel free to get in touch with the Liquidator on +91 99209 77977 or his team members Siddharth Mathur on +91 99700 13234 or Sanam Munot on +91 99209 70999 or Vivek Maru on +91 99673 73931 for any queries in relation to the Sale Process.

Disclaimer: All of the clarifications contained in this FAQ are not binding on the Liquidator. The clarifications are clarificatory in nature. The EOI Applicants/ Bidders are requested to contact the Liquidator for any queries that they may have

Sd/-
SUNDARESH BHAT
LIQUIDATOR OF ABG SHIPYARD LIMITED
Communications Email Address: LQABG@bdo.in ; sundareshbhat@bdo.in
Website: www.abgindia.com
IBBI Registration no. IBBI/IPA-001/IP-P00077/2017-18/10162
IBBI Registered Email: sundareshbhat@bdo.in
IBBI Registered Address: BDO Restructuring Advisory LLP, Level 9, The Ruby, North West
Wing, Senapati Bapat Road, Dadar (W), Mumbai 400028, INDIA