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IIPI Newsletter

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Edtech Startup Lido Learning files for Insolvency

The Company, which offered tuitions in Math, Science, and English aligned with the CBSE and ICSE for students from KG to Grade 12, has filed CIRP petition before NCLT, Mumbai.

As per regulatory filings with the Ministry of Corporate Affairs, Lido Learning's Board of Directors has passed a Resolution to file a petition under Section 10 of the IBC. Lido Learning had raised about \$27.3 million from marquee institutional investors such as Alibaba-backed BACE Ventures, Picus Capital, 9 Unicorns and some leading entrepreneurs.

For More Details, Please Visit: https://www.business-standard.com/article/companies/after-lay-offs-edtech-startup-lido-learning-files-for-insolvency-122090800924_1.html

News Update

Supreme Court allowed implementation of Resolution Plans for Reliance Commercial Finance Ltd. (RCFL)

Though the Supreme Court upheld that the norms of Securities and Exchange Board of India (SEBI) took precedence over the guidelines of the Reserve Bank of India (RBI), it gave a go-ahead to the Resolution Plan of the Corporate Debtor to avoid further delays "if voting is called afresh". The Reliance Commercial Finance Ltd. (RCFL) was controlled by industrialist Anil Ambani.

SEBI had filed an appeal seeking stay on voting by creditors because it wanted all bond holders to participate in such votes, contrary to the debenture trust deed (DTD) and RBI guidelines that expect only 75% of the bondholders to vote. The order came more than a year after lenders had approved it. "The different voting mechanism proposed under the SEBI circular will further delay the resolution process and potentially disrupt the efforts undertaken by the stakeholders, including the retail debenture holders. Such unscrambling of the resolution process will not only prove time-consuming but may also adversely affect the agreed realized gains to the retail debenture holders, who have already consented to the negotiated settlement before the High Court," said a three-judge bench of the Apex Court headed by justice DY Chandrachud.

For More Details, Please Visit:

<https://indiadailymail.com/industry/anil-ambanis-rcfl-resolution-plan-to-go-ahead-after-sc-nod/>

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News Roundup

NCLAT set aside Yes Bank's CIRP petition against Mack Star as the term loan was found to be "Collusive in Nature"

The tribunal in its order observed that the term-loan provided by Yes Bank to Mack Star was an 'eye-wash' and 'collusive in nature'. As per the records, more than 99 percent of the sanctioned amount of ₹147.6 crore by Yes Bank in Mack Star's name was returned to the bank on the same day or within a short period of time. "The chequered history of the loan transactions and collusive arrangements indulged by Yes Bank demonstrates that the Term Loans disbursed in the name of Mack Star is an 'eyewash' and Yes Bank has disbursed these loans with an ulterior motive," said the NCLAT.

For More Details, Please Visit: <https://zeenews.india.com/companies/yes-bank-faces-big-action-over-unfair-loan-transactions-nclat-sets-aside-insolvency-proceedings-against-mack-star-2507863.html>

Limitation period should not be counted from the date of delivery of the Certified Copy but from the date of its preparation: NCLAT

While dismissing an appeal for being time barred, NCLAT, Principal Bench, New Delhi, in the case of *Wadhwa Rubber Vs. Bandex Packaging Pvt Ltd* has observed that the limitation period is to be counted from the date of preparation of the certified copy and not from the date of when it was delivered to the applicant. The Bench opined that, "the certified copy being prepared on February 17, 2021. If the limitation is to be counted from February 17, 2021, the same had expired much earlier than the date of filing the appeal on August 04, 2021." Hence, the appeal was said to be barred by limitation.

More Details, Please Visit: <https://www.livelaw.in/news-updates/nclat-delhi-section-9-of-the-insolvency-and-bankruptcy-code-corporate-insolvency-resolution-process-cirp-limitation-208461>

Concerned about protecting retail investors, State securities regulators seek more transparency in Celsius crypto bankruptcy in USA

The state regulators from Texas, Vermont and Wisconsin have said they supported the appointment of an examiner in court filings in U.S. bankruptcy court in Manhattan, noting that they were particularly concerned about protecting retail investors who may have deposited college funds or retirement accounts with Celsius based on false promises. At least 40 state securities regulators in USA are investigating Celsius for potential violations.

For More Details, Please Visit: <https://www.reuters.com/legal/litigation/state-securities-regulators-seek-more-transparency-celsius-crypto-bankruptcy-2022-09-07/>



NCLATs "hybrid" order ensured delivery of flats to homebuyers

A group of homebuyers had filed insolvency petition against a housing project of RG Group in Greater Noida in September 2019. The case went to NCLAT, which in February 2020 ordered the project developer to work with the Resolution Professional (RP), instead of bringing in another company. The project developer took all the stakeholders into confidence and restarted the construction. On September 09, 2022, it delivered keys to 17 homebuyers for fit outs with the promise that 800 buyers will get their flats in the next three months. The Company also promised to deliver all the remaining flats by March 2023.

"The judiciary's support through this order gave a wonderful result. A hybrid kind of order not only rescued the project but also restored the faith of homebuyers and other stakeholders," said the Resolution Professional.

For More Details, Please Visit: <https://timesofindia.indiatimes.com/city/noida/gr-eater-noida-nclt-lets-company-finish-project-first-flats-ready-in-2-5-years/articleshow/94086226.cms>

Event Photograph



A snapshot of the Webinar on “Case Study on Liquidation Process: Moser Baer India Ltd.” organized by IIPi on September 09, 2022.

IIPi organizing Webinar on Monitoring/ Inspection/Peer Review

The Webinar titled “Common Issues on Monitoring/ Inspection and Peer Review Framework” is scheduled to be held on September 16, 2022. The one-hour program will be held from 4 PM to 6 PM. There will be no fee for this program.

For More Details, Please Visit:
<https://www.iipicai.in/wp-content/uploads/2022/09/16th-september-2022.pdf>