



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

(Company formed by ICAI under Section 8 of the Companies Act 2013)

# IIPI Newsletter

## IIPI organizing Webinar on Jhabua Power

The webinar titled 'Successful CIRP Case Study – Jhabua Power' is scheduled from 4 pm to 6 pm on December 23, 2022.

Mr. Abhilash Lal, Resolution Professional (RP) of Jhabua Power and Mr. Venkataram R, Managing Director, Alvarez & Marsal will address the webinar. The Insolvency Professionals (IPs) attending the webinar will be eligible for CPE-1 hour.

**For More Details, Please**

**Visit:**—<https://www.iiipicai.in/wp-content/uploads/2022/12/Flyer-23-Dec-2022.pdf>



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## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### **CD is not entitled for restoration of high-tension electricity connection without making payment of security deposit: NCLAT**

After approval of the Resolution Plan by NCLT, the Chairman of the Monitoring Committee of *Kalptaru Steel Rolling Mills Ltd.* filed a petition seeking directions to electricity supplier - *Southern Power Distribution Company of A.P. Ltd.* to immediately restore electricity connection of the Corporate Debtor (CD). Besides, it was also urged to order the power supplier that the restoration be made without insisting for payment of any past dues or any fresh security deposit from the Resolution Applicant, as the supply of electricity is an essential and integral part of the resolution of the CD. The NCLT rejected the demand of applicant for restoration of electricity connection without making payment for security deposit, which was challenged for the NCLAT.

Upholding the decision of NCLT, the Appellate Tribunal said that security deposit is a pre-condition for sanction of High-Tension Power Connection to industries. The reliance was placed on a previous judgement of NCLAT in the matter of *Damodar Valley Corporation Vs. Cosmic Ferro Alloys Limited & Anr., (2020)* in which the Court has ruled that any dues relating to electricity supplied after the moratorium has ceased will have to be paid by the CD. "The Applicant being a heavy industry huge power supply is required. The security deposit is only to adjust the shortfalls which come in payment of bills," said the Court.

**For More Details, Please Visit:** <https://www.livelaw.in/news-updates/high-tension-electricity-connection-of-cd-cannot-be-restored-unless-security-deposit-is-paid-nclat-delhi-216885>

## News Roundup

### Successful Resolution Applicant seeks date to implement Resolution Plan for Jet Airways

The consortium of *Murari Lal Jalan* and the *Kalrock Capital*, has filed a petition before NCLT Mumbai for implementation of the Resolution Plan. According to media reports the consortium has complied with all the conditions necessary for the implementation of the resolution plan on May 20. It has reportedly fulfilled business requisites necessary for the functioning of an airline including several licences, which was recorded by NCLT in October 21. As per the Resolution Plan, the consortium is required to get approval from Directorate General of Civil Aviation (DGCA) and Ministry of Corporate Affairs (MCA). Besides, an international traffic rights clearance is another prerequisite. The employees of the insolvency company were to be transferred to Airjet Ground Services Ltd.

**For More Details, Please Visit:**

<https://www.bqprime.com/business/jet-airways-insolvency-jalan-kalrock-seeks-to-implement-resolution-plan>

### NCLT Mumbai ordered commenced of CIRP of VHM Industries

The decision of the Mumbai bench of the National Company Law Tribunal (NCLT) came on a petition filed by the State Bank of India. The lender had approached the bankruptcy court in 2019 after the company defaulted on dues of more than ₹221 crore. VHM Industries Ltd. is a leading textile manufacturer in India with units in Gujarat and Thane (Maharashtra).

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclt-admits-vhm-industries-for-insolvency/articleshow/96325488.cms>

### Canada based Great Panther undergoes into bankruptcy

Great Panther Mining Ltd., a precious metals producer in Canada, has made a voluntary assignment into bankruptcy under the Bankruptcy and Insolvency Act (Canada). This development came following an order of the Supreme Court of British Columbia granting terminating of its proceedings under Companies' Creditors Arrangement Act (Canada). As per the media reports the bankruptcy of Great Panther does not affect Great Panther's subsidiaries, and the Trustee will now exercise the rights of Great Panther as shareholder. Alan Hair, Joseph Gallucci, Trudy Curran, and John Jennings have already resigned from the Company's board of directors.

**For More Details, Please Visit:**

<https://www.prnewswire.com/news-releases/great-panther-makes-voluntary-assignment-into-bankruptcy-under-the-bankruptcy-and-insolvency-act-canada-301705554.html>



### Adjudicating Authority (AA) has no power to modify Resolution Plan: NCLAT

The New Delhi Bench of NCLAT has observed that if a Resolution Plan is in compliance with Section 30 and Section 31(1) of IBC, then such Resolution Plan has to be approved by the Adjudicating Authority (AA).

In Section 31 of IBC the word “shall” has been incorporated with proviso that the AA must be satisfied that the Resolution Plan has provisions for its effective implementation. Furthermore, Section 31(2) of IBC empowers the AA to reject the Resolution Plan, if he is satisfied that Resolution Plan is not in conformity with Section 31(1) of IBC. However, there is no provision in the IBC which empowers AA for making alteration or modifications in the Resolution Plan.

This judgement came in the matter of *Mathuraprasad C Pandey & Ors. v Partiv Parikh & Anr.* wherein the AA had modified the Resolution Plan to the extent that “if any member of Resolution applicants has entered into or stand as guarantor in the individual capacity, in that event, he shall not be covered with any immunity given under the Resolution Plan”.

**For More Details, Please Visit:**

<https://www.livelaw.in/news-updates/aa-shall-either-approve-or-reject-the-resolution-plan-no-power-to-modify-it-nclat-delhi-217065>