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NCLAT ordered closure of CIRP against JHL

NCLAT's order to close the insolvency process against Jaypee Healthcare Ltd. (JHL) came after Max Healthcare settled the dues with the financial creditors.

The CIRP against JHL was initiated by NCLT Allahabad on a petition filed by J C Flowers Asset Reconstruction Ltd. During the CIRP, Max Healthcare announced to acquire a 64% stake in JHL for an enterprise value of ₹1,660 crore. JHL used to operate three hospitals in Uttar Pradesh. Max Healthcare has reportedly deposited ₹1,305.29 crore, which is equivalent to the admitted financial creditors' claims.

For More Details, Please Visit: <https://www.thehindu.com/business/Industry/nclat-closes-insolvency-proceedings-against-jhl-as-max-healthcare-settles-creditors-claims/article68768097.ece>



News Update

**For Internal Circulation Only
Knowledge SBU Initiative

High Court directed Creditor to refund forfeited deposit to CD which failed to deposit the Balance due to the moratorium under the IBC

The Punjab and Haryana High Court has directed the Union Bank of India (bank) to refund the forfeited deposit amount to a Corporate Debtor (CD) after holding that the contract of sale was frustrated by legal impossibility, caused by the moratorium under the IBC.

“As the respondent is statutorily barred till such time the insolvency petition was rejected by NCLT, this Court has no hesitation to hold that the contract of sale that the respondent bank had sought to enter with the auction purchaser stood frustrated due to the intervening legal impossibility. The insolvency proceedings having been initiated against the debtor-company by an operational creditor and the interim moratorium being in place debarred the bank from issuing the sale certificate, said a two judges' bench of the Punjab and Haryana High Court.

In this case, the bank had issued an e-auction sale notice for the sale of a commercial property, wherein the petitioner was the highest bidder. After submitting an Earnest Money Deposit (EMD), the CD met the requirement of paying 25% of the total sale price. In the meantime, CIRP were initiated against the petitioner under the IBC. As the moratorium came into effect, the petitioner was not able to pay the balance amount to the bank. Subsequently, the bank forfeited the EMD.

For More Details, Please Visit: <https://www.verdictum.in/court-updates/high-courts/punjab-and-haryana-high-court-micro-turner-v-union-bank-of-india-2024-phhc-126020-db-legal-impossibility-refund-bid-amount-1555268>

News Roundup

Supreme Court gives Go Ahead to Adani's ₹27, 000 crores Resolution Plan for KSK Mahanadi Project

The Supreme Court set aside the order of Telangana High Court which was issued on a petition filed by the Uttar Pradesh Power Corp and allowed the appeal of the Committee of Creditors (CoC) of KSK Mahanadi Power Company (Corporate Debtor). Adani Power was the highest bidder for the stressed thermal project with an offer of ₹27,000 crore, which ensured 92% of the recovery for lenders. The Corporate Debtor had a 3,600 MW coal-based power project in Chhattisgarh. Currently, it has three operational units of 600 MW each and the rest of its units are under various stages of construction. The total claims against the Corporate Debtor were ₹ 29,330 crore. KSK Mahanadi had power purchase agreements with Andhra Pradesh, Tamil Nadu and Uttar Pradesh, but defaulted on loans due to lack of coal supply.

For More Details, Please Visit: https://www.business-standard.com/companies/news/sc-revives-adani-s-rs-27k-cr-insolvency-resolution-for-ksk-mahanadi-project-124101401184_1.html

South Mumbai's iconic Rhythm House sold via Liquidation

Bhaane Retail, a subsidiary of Shahi Exports, has acquired 'Rhythm House' in ₹30 crore via Liquidation. A cultural landmark since the 1940s, Rhythm House was a favourite place for music lovers and Bollywood celebrities. Owned by Nirav Modi, Rhythm House was closed in 2016 after the Enforcement Directorate (ED) seized this property during its investigation into the Punjab National Bank scam involving Nirav Modi. In February 2020, the NCLT ordered the liquidation of Rhythm House. Subsequently, pursuant to a court order, the ED released the property to allow banks to sell it and recover their dues from Nirav Modi who defaulted on a ₹6,500 crore loan from PNB.

For More Details, Please Visit: <https://economictimes.indiatimes.com/industry/services/property/-construction/south-mumbais-iconic-rhythm-house-gets-a-new-owner-under-insolvency-auction/articleshow/114260330.cms?from=mdr>

Europe's Intrum seeks US bankruptcy protection to restructure \$4.7 bln net debt

Intrum, the biggest debt collector in Europe, has struggled as the pandemic, an energy crisis and two-decade-high interest rates failed to unleash a wave of loan defaults, with concerns mounting over Intrum's net debt, which reached 49.4 billion Swedish crowns (\$4.69 billion) at the end of June 2024. "Intrum expects to emerge from the prepackaged Chapter 11 process and the Swedish company reorganization process with ample runway and liquidity to execute its business plan and positioned for long term growth and success," it said in a press statement. Intrum had won support for a debt restructuring from 73% of its noteholders, enough for a U.S. Chapter 11 procedure.

For More Details, Please Visit: <https://www.reuters.com/business/finance/intrum-seeks-us-bankruptcy-protection-restructure-47-bln-net-debt-2024-10-18/>



Group Insolvency to be placed in winter session of Parliament: Media

According to a media report, the Ministry of Corporate Affairs (MCA) is preparing to introduce a framework for 'voluntary' Group Insolvency under the Insolvency and Bankruptcy Code, 2016 (IBC).

The proposed Group Insolvency Framework aims to empower the Committee of Creditors (CoC) of the Corporate Debtor (CD) to decide whether the sister concerns of the CD could be included under the CIRP or not. The Group Insolvency Framework will reportedly be implemented in phases. Initially, only domestic corporate groups will come under their ambit, while multinational ones, with stressed assets overseas, will be kept out. Even financial services providers, such as banks and non-banking financial companies, will remain out of purview, said the media report.

For More Details, Please Visit: <https://economictimes.indiatimes.com/news/india/ibc-may-get-a-voluntary-group-insolvency-mechanism-soon/articleshow/114326783.cms?from=mdr>

EVENT PHOTOGRAPH



Webinar on 'Case Studies – CIRP & Liquidation' organized by IIIPI on October 18, 2024.

USA's Hardware wholesaler True Value files for bankruptcy

Hardware wholesaler True Value Company LLC has filed bankruptcy seeking to sell its business to rival 'Do It Best' for \$153 million.

True Value, which sells hardware, tools, lumber, plumbing and heating supplies, and other home improvement goods, said its retail stores are independently owned and not part of the bankruptcy process. Chicago-Illinois-based company has reportedly between \$500 million and \$1 billion in total liabilities. Indiana-based 'Do It Best' has reportedly agreed to serve as a "stalking horse" bidder for True Value's assets,

For More Details, Please Visit:

<https://www.reuters.com/legal/litigation/hardware-wholesaler-true-value-files-bankruptcy-sell-business-2024-10-14/>