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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

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➤ NCLT orders initiating insolvency proceedings against Mantri Developers

NCLT has directed initiating insolvency proceedings against Bengaluru-based real estate firm Mantri Developers admitting the plea filed by Indiabulls Housing Finance Ltd. A two-member bench has also suspended the board of Mantri Developers and appointed Ahsan Ahmad as the interim resolution professional for the company.

Indiabulls Housing Finance Ltd (IHFL) had moved the Bengaluru bench of the National Company Law Tribunal (NCLT) claiming a default of Rs 456.68 crore by Mantri Developers, part of the Mantri Group of Companies engaged in the real-estate business in Bengaluru, as on January 1, 2022.

"In view of the facts and circumstances... the present petition being complete and having established the default in payment of the financial debt and for the default amount being above Rs 1 crore, the petition is admitted in respect of respondent -- Mantri Developers Private Ltd -- under Section 7 of the I&B Code, 2016," said NCLT.

The NCLT bench consisting of Manoj Kumar Dubey and T Krishnavalli in its order delivered on March 28, 2023, also declared a moratorium under the Insolvency & Bankruptcy Code (IBC) protecting it from any suits, judgment, decree of court or sale and transfer of its assets during the CIRP.

IHFL had sanctioned five loans and aggregate disbursed loan amount of Rs 574.20 crore

Source: The Economic Times

Read Full news at: <https://economictimes.indiatimes.com/industry/services/property/-construction/nclt-orders-initiating-insolvency-proceedings-against-mantri-developers/articleshow/99145239.cms>

➤ **Welspun buys water tank co Sintex for ₹1,251cr via bankruptcy process**

Mumbai: B K Goenka-controlled Welspun Group has acquired. Sintex BAPL, widely known as the manufacturer of black plastic water tanks, for Rs 1,251 crore, through the bankruptcy route. The deal strengthens Welspun's play in the business-to-consumer business. Before Sintex BAPL was admitted to insolvency proceedings, it had a double-digit market share in plastic products. Goenka has routed the Sintex BAPL acquisition through the arms of his listed company Welspun Corp. Shares of Welspun Corp. closed at Rs 197 on the BSE, up 5% on Thursday.

Goenka plans to turn around Sintex BAPL, which had a revenue of Rs 761 crore in FY22, leveraging the Sintex name, which still has a strong brand recall among consumers, and its network covering 800 distributors and 13,000 retailers in the country. In FY19, Sintex BAPL had an operating profit of Rs 270 crore on a turnover of Rs 1,800 crore. It was dragged to the bankruptcy court in December 2020 after it defaulted on loan repayments. Besides Welspun, JM Financial Asset Management Reconstruction Company too had shown interest in Sintex BAPL

Source: The Times of India

Read Full news at: <https://timesofindia.indiatimes.com/city/mumbai/welspun-buys-water-tank-co-sintex-for-1251cr-via-bankruptcy-process/articleshow/99130290.cms?from=mdr>

➤ **No Escaping From Penal Liability By Citing Company's Dissolution**

On March 15, 2023, a three-judge bench of the Supreme Court in the case of Ajay Kumar Radheyshyam Goenka vs Tourism Finance Corporation of India Limited other connected matters held that personal liability of a signatory/director of a company in a cheque dishonor case filed under the Negotiable Instruments Act, 1881 ("NI Act") cannot be absolved pending corporate insolvency resolution proceedings ("CIRP") against the company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC").

Source: Live Law

Read Full news at: <https://www.livelaw.in/law-firms/law-firm-articles-/penal-liability-dissolution-ibc-ni-act-cirp-nia-proceeding-pioneer-legal-225256>



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