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9th September 2022

"Courage is resistance to fear, mastery of fear, not absence of fear"

➤ **Greater Noida: 1,700 homebuyers to get homes as reverse insolvency order paves way for delivery of RG Luxury Homes**

In yet another case of reverse insolvency, 1,700 homebuyers of RG Luxury Homes are all set to get their dream homes delivered after almost three-year-long litigation. The project by RG Group located at Sector 16B, Greater Noida West was dragged into the National Company Law Tribunal (NCLT) by a few homebuyers in September 2019.

The project is spread over 18.5 acres having 13 residential towers comprising 2 and 3-BHK flats and was launched around 2012 while the delivery was promised in 2016. However, when the developer failed to deliver the project even after seven years, some buyers filed a case in the NCLT in 2019. As per the process, an IRP was appointed and the process had begun around July 2021. However, the promoter itself submitted a resolution process which was approved and construction resumed from August onwards.

The developer said that approximately 800 units are ready for fit-outs and another 900 units will be ready in upcoming quarters. The builder has applied for Occupation Certificate (OC) a month ago and said that it's expected to receive the OC soon.

There were a total of 1,920 flats in phase 1 of the project out of which 1,700 were sold and went into insolvency. Manoj Kulshrestha, Interim Resolution Professional in the case said that a hybrid kind of order rescued the project and the home buyers. "We began the process around July 2021 and now with all our hard work, we are on verge of offering possession which itself is a milestone for the Delhi-NCR region as it's the first and one of its kind project in the vicinity that will offer possession under any appointed IRP," he said.

One of the buyers who took the keys for fit-outs on September 8 said that it was a nightmare for him when the project got into the NCLT due to delay. "The Reverse Insolvency process paved way for completing the construction of the project. The homebuyers played a crucial role as they opted for the delivery of the flats rather than prolonging litigations," said Umesh Narang, one of the homebuyers.

Himanshu Garg, Group Director from RG Group thanked homebuyers for the support. "Due to adverse market conditions and various factors, the project got delayed but now with the support of all the stakeholders, we have applied for OC in a few of the towers (Tower - A, B, C, M) and we will be applying for the OC for rest of the towers in the coming quarters," said Garg.

The RG Group has so far delivered 14 commercial & retail projects in Delhi and delivered 1,540 residential apartments covering more than 2 million square feet of construction area at its 'RG Residency' project situated in sector 120, Noida. The Group is also executing a residential group housing project in NOIDA and Greater Noida (West) where the built-up area is about 4 million sq. ft.

Source: Money Control

Read Full news at: <https://www.moneycontrol.com/news/business/real-estate/greater-noida-1700-homebuyers-to-get-homes-as-reverse-insolvency-order-paves-way-for-delivery-of-rg-luxury-homes-9149891.html>

➤ **NCLAT sets aside insolvency proceedings against Mack Star**

Appellate tribunal NCLAT has set aside insolvency proceedings against Mack Star Marketing initiated by the NCLT Mumbai after observing that the term-loan provided by Yes Bank to it was an "eye-wash" and "collusive in nature".

A two-member bench held such collusive transactions do not fall within the ambit of the definition of Financial Debt as defined under Section 5(8) of the Insolvency & Bankruptcy Code and therefore Suraksha Asset Reconstruction cannot be termed as a Financial Creditor.

The NCLAT observed that out of Rs 147.6 crore — sanctioned by Yes Bank in Mack Star's name for the purpose of renovating 'Kaledonia' a two-year-old building constructed at a cost of Rs 100 crore — more than 99 percent of the amount was routed back to Yes Bank either on the same day or within a very short period. "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 eye-wash and Yes Bank has disbursed these loans with an ulterior motive," said the National Company Law Appellate Tribunal (NCLAT).

It also set aside the orders of the Mumbai bench of the National Company Law Tribunal (NCLT), which had on October 27, 2021, directed to initiate insolvency proceedings against Mack Star Marketing over a petition from Suraksha Asset Reconstruction, the assignee of the loans given by Yes Bank. "We allow this Appeal and set aside the Impugned Order passed by the Learned Adjudicating Authority (NCLT, Mumbai Bench, Court III), on 20.09.2021," said the NCLAT.

In effect, orders passed by the NCLT appointing an interim resolution professional, declaring moratorium, freezing of account and all other orders passed pursuant to the impugned order, are set aside, the appellate tribunal said. "The Adjudicating Authority will now close the proceedings. The Corporate Debtor' is released from all

the rigours of law and is allowed to function independently through its Board of Directors with immediate effect," it added.

The appellate tribunal order came on a petition filed by Ocean Deity Investment Holdings, which holds a majority of 82.17 percent shares in Mack Star, challenging the NCLT order. The NCLT had admitted Suraksha's Section 7 application under the Insolvency and Bankruptcy Code, 2016, claiming defaults in payment of four Term Loans, out of the six Term Loan transactions executed between Mack Star and Yes Bank totalling Rs 159.67 crore.

However, challenging this before the NCLAT, Ocean Deity Investment Holdings submitted that the CBI had lodged an FIR on September 23, 2020, against Yes Bank officials, Housing Development Infrastructure Ltd (HDIL), its Promoters, Wadhawans and other individuals, who were collectively accused for cheating Mack Star and the appellant by way of these collusive transactions. After several months of the Enforcement Directorate having arrested Rana Kapoor, the Promoter of Yes Bank for conspiring with HDIL Promoter to cheat Mack Star, the NCLT passed the order on September 20, 2021.

"Both CBI and ED have independently concluded that there was a criminal conspiracy, pursuant to which act, there was three steps circular flow of funds from Yes Bank, whereby Rs 147 crores have fraudulently been disbursed in the name of Mack Star; the amount was disbursed to Yes Bank accounts of HDIL Group Companies," it said. These loan amounts of Rs 146 crore from Yes Bank accounts of HDIL Group Companies were used for discharging the earlier loans availed by the financially stressed HDIL Group Companies from Yes Bank.

"These findings were completely ignored by the Adjudicating Authority while passing the Impugned Order," the holding company submitted before the NCLAT. It was submitted that Rs 140 crore- of these term loans of Rs 147.6 crore was sanctioned by Yes Bank in Mack Star's name for the purpose of renovating and refurbishing Kaledonia' a brand new building that was barely two years old and has been constructed at a total cost of Rs 140 crore.

Moreover, Rs 100 crore was disbursed by Yes Bank to Mack Star even before any of the Related Loan Agreements were signed and a term loan of Rs 40 crore disbursed by Yes Bank in Mack Star's name was credited directly to HDILs Yes Bank account instead of being credited to Mack Star's account, the holding company had submitted.

Yes Bank continued disbursing these term loans in Mack Star's name despite being notified by the appellant in writing that their HDIL affiliate company was not authorised to avail of any loans on Mack Star's behalf. "It is strenuously argued that 99.18 per cent of the amounts disbursed by Yes Bank in Mack Star's name was routed back to Yes Bank, within a few minutes of their disbursal, by Yes Bank Officials," the NCLAT order said.

Moreover, Suraksha Asset Reconstruction filed a plea to initiate insolvency proceedings against Mack Star on April 22, a month after Ocean had lodged a criminal complaint on March 5, 2019, with the Economic Offences Department of

Mumbai Police against Yes Bank, Suraksha and HDIL Promoters in relation to the illegal term-loans. However, counsel appearing for Suraksha submitted Ocean Deity was fully aware of the borrowings and also authorised the Board of Directors to give effect to such borrowing in the Annual General Meeting of Mack Star held on May 29, 2014.

Source: Money Control

Read Full news at: <https://www.moneycontrol.com/news/business/nclat-sets-aside-insolvency-proceedings-against-mack-star-9150501.html>

➤ **Lido Learning files for bankruptcy, 6 months after asking over 1,200 staffers to quit**

Lido Learning's board of directors has passed a special resolution to file an application under section 10 of Insolvency and Bankruptcy (IBC) code 2016, according to the company's regulatory filings with the Ministry of Corporate Affairs (MCA). Lido failed to pay back debts and has defaulted on payments to former employees. Anil Drolia has been proposed as the Interim Corporate Resolution Professional. News agency Entracker first reported the development.

Employees were given a full and final (F&F) settlement letter by Lido, and were verbally told by the HR that they would be getting their salaries by June end. However, most employees have not got even a single rupee yet, employees of the company told Moneycontrol.

Lido, founded in 2019 by former Byju's vice-president Sahil Sheth, had asked more than 1,200 employees to resign over a video call townhall conference in the first week of February, citing a funding crunch.

He had told employees that the company was looking to wind down its operations due to a lack of funds and had thus asked them to tender their resignations as soon as possible.

Sheth had also said that all the employees will be getting their salaries in under three months, and the company was looking to sell its assets to be able to fund employees' salaries. To be sure, Sheth's comments on the funding crunch came just four months after the company had raised \$10 million from Ronnie Screwvala's Unilazer Ventures.

Lido Learning also counts Anupam Mittal and Vijay Shekhar Sharma, among others as its backers. Lido's website is, however, still active and the company is accepting bookings. Questions sent to Sahil Sheth on mail and WhatsApp remained unanswered.

Lido was reportedly scouting for mergers with other companies. According to sources, Sheth was actively involved in conversations with edtech unicorns like LEAD, but the deal never went through. Forbes had reported in February that

Vedantu, Unacademy, Byju's and Reliance were the frontrunners to acquire Lido Learning.

While Lido Learning is yet to file its FY22 financial results, the company had reported a loss of Rs 58.8 crore in FY21 on a revenue of Rs 11.3 crore, the company's filings with the MCA showed. Lido Learning's move to file for bankruptcy comes at a time when startups in the country have increasingly started showing signs of distress with funding to the ecosystem slowing down. Recently, Nandan Nilekani-backed ShopX had also filed for bankruptcy.

Source: Money Control

Read Full news at: <https://www.moneycontrol.com/news/business/startup/lido-learning-files-for-bankruptcy-6-months-after-asking-over-1200-staffers-to-quit-9147811.html>

