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IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Passion first and everything will fall into place."

Updates on Insolvency and Bankruptcy Code

NCLAT rejects IFCI plea against ACCIL Hospitality, says can't seek fresh insolvency plea against corporate guarantor

The National Company Law Appellate Tribunal (NCLAT) has dismissed the insolvency plea filed by IFCI against ACCIL Hospitality, a corporate guarantor of debt-ridden steel products maker Asian Colour Coated Ispat. The tribunal observed that creditors of a debt-ridden company cannot file fresh insolvency plea against its corporate guarantor after collating the claims from principal borrowers as it would amount to "duplication of claims being pressed". Public sector financial institution IFCI had filed petition to initiate insolvency proceedings against ACCIL Hospitality, which had extended a corporate guaranty for Asian Colour Coated Ispat Limited (ACCL) – a company currently under insolvency proceedings.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/nclat-rejects-ifci-plea-against-accil-hospitality-says-cant-see-fresh-insolvency-plea-against-corporate-guarantor/>

After resolution of big steel cases, banks expect low recoveries from IBC

Having resolved big-ticket insolvency cases like Essar and Bhushan Steel, bankers are now looking forward to a recovery rate of not more than 20-30 per cent. Till December, 2019, realisation by financial creditors (FCs) under the 190 resolution plans totalled Rs 1.52 trillion or 43.14 per cent; total admitted claims was around Rs 3.51 trillion, according to data from the Insolvency and Bankruptcy Board of India (IBBI).

Of the total amount of realisation, around Rs 1 trillion is on account of just four steel companies : Essar Steel, Bhushan Steel, Bhushan Power & Steel and Electrosteel Steels. However, from here on, banks are not anticipating good recovery from IBC, including cases referred for resolution under the Reserve Bank of India's (RBI's) second list, which included 28 companies.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/after-resolution-of-big-steel-cases-banks-expect-low-recoveries-from-ibc/>

London-based GFG Alliance completes Adhunik Metaliks, Zion Steel takeover in Rs 425 crore deal

UK-based GFG Alliance — owned by India-born British businessman Sanjeev Gupta and his family — on Tuesday announced the strategic acquisition of the debt-laden Adhunik Metaliks and Zion Steel in a Rs 425-crore cash deal under the corporate insolvency resolution process (CIRP). This comes after a prolonged delay by Liberty House, owned by GFG Alliance, in making the payments for taking over the two companies. The transaction marks GFG Alliance's entry into India, one of the world's fastest-growing steel markets, Liberty House said in a statement. Uncertainty continued over the fate of Adhunik Metaliks and Zion as Liberty House had not paid the required upfront cash payment to the lenders by the stipulated deadline.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/london-based-gfg-alliance-completes-adhunik-metaliks-zion-steel-takeover-in-rs-425-crore-deal/1872269/>



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