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Insolvency Professional Agency of Institute of Cost Accountants of India



“Staying positive does not mean that things will turn out okay. Rather it is knowing that you will be okay no matter how things turn out.”

Updates on Insolvency and Bankruptcy Code

Suzlon resolution stuck in limbo due to lack of consensus among lenders

Faced with a 60% haircut on their exposure, lenders to Suzlon Energy are unwilling to loan the company more working capital, a decision that is delaying the proposed restructuring plan. Also, since the 210-day period, within which banks needed to come up with the resolution plan, were over last month, banks will need to make extra provisions for the exposure in the March quarter. Of the 18 members in the consortium, some lenders have already made full provisions for the account.

On January 7, Suzlon disclosed to the stock exchanges that the total amount due to financial creditors was Rs 12,785 crore. The promoters have suggested a haircut to the tune of Rs 7,000 crore. The company requires an estimated Rs 1,800 crore of working capital to remain a going concern.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/suzlon-resolution-stuck-in-limbo-due-to-lack-of-consensus-among-lenders/1866315/>

Include Videocon foreign arms in insolvency process: NCLT

The National Company Law Tribunal (NCLT) has ordered the inclusion of Videocon's oil businesses in Brazil and Indonesia as part of insolvency proceedings being conducted in India, according to two people aware of the matter. The order is the first instance of overseas incorporated subsidiaries being brought under the ambit of local insolvency laws.

The assets include stakes in overseas oil blocks held through Videocon arms incorporated in the Cayman Islands and British Virgin Islands. These were purchased after Videocon entered an agreement with state-run Bharat Petroleum Corporation Ltd 14 years ago to search for foreign investment opportunities jointly. The two partners reportedly invested over \$2 billion in development of the assets over the past six to eight years.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/include-videocon-foreign-arms-in-insolvency-process-nclt/articleshow/74109392.cms>

Ahmedabad NCLT directs PNB to approach the Mumbai bench in Essar Shipping case

The Ahmedabad bench of the National Company Law Tribunal (NCLT) has directed Punjab National Bank (PNB) to approach the Mumbai bench against Essar Shipping as the lender has already initiated insolvency proceedings against the principal borrower Essar Oilfield Services there.

The bank has so far claimed over Rs 253 crore against Essar Oilfield, also known as OGD Services. The state-owned lender had approached the Ahmedabad NCLT against Essar Shipping, for the default committed by Essar Oilfield (now known as OGD Services), in making payment of stand by letter of credit (SBLC) facility of \$27 million, where Essar Shipping was a guarantor.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/ahmedabad-nclt-directs-pnb-to-approach-the-mumbai-bench-in-essar-shipping-case/articleshow/74093575.cms>



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