

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



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"The only limit to our realization of tomorrow will be our doubts of today."

Updates on Insolvency and Bankruptcy Code

➤ Essar Steel issue: Why the offer made by Ruias can, and must, be refused

The last minute offer by the Ruias to clear their dues to bankers of Essar Steel—so that the insolvency application can be withdrawn under Section 12A—hours after the Committee of Creditors (CoC) voted on other bids, is the surest sign of the success of the IBC (Insolvency and Bankruptcy Code). However, the CoC should desist from accepting it, if at all the Supreme Court directs them to vote on it. The lenders will lose Rs 7,000 crore, but if they allow the Ruias to regain control of Essar Steel, it would dent the credibility of the IBC process since it would mean that anyone can derail the process with a new bid, regardless of whether they are even eligible to bid. The process is about value maximisation, but not at the cost of destroying the faith in the system.

Source: *Financial Express*

Please find the full news at:

<https://www.financialexpress.com/opinion/essar-steel-issue-why-the-offer-made-by-ruias-can-and-must-be-refused/1361594/>

➤ Mumbai court to hear bankruptcy petitions against 15 Videocon companies

A single court in Mumbai will hear matters pertaining to bankruptcy proceedings of 15 Videocon group companies pending in multiple courts. NCLT president, Justice MM Kumar, directed that all insolvency proceedings initiated by the State Bank of India against the Videocon group be adjudicated upon by the same bench that admitted an insolvency plea against Videocon Industries Limited, group's parent company, in June this year.

Source: *Economic Times*

Please find the full news at:

<https://economictimes.indiatimes.com/news/company/corporate-trends/mumbai-court-to-hear-bankruptcy-petitions-against-15-videocon-cos/articleshow/66356115.cms>

➤ To recover dues from Anil Ambani firms, 24 creditors move tribunal

At least 24 operational creditors of debt-ridden Reliance Communications and Reliance Telecom have moved various benches of the National Company Law Tribunal (NCLT) in Mumbai against the two firms of Anil Ambani-led Reliance Group, to recover dues, under Section 9 of the Insolvency and Bankruptcy Code (IBC), according to Tribunal records. Of the creditors that have moved court, at least 11 firms have settled or are in the process of settling the dispute with Anil Ambani's firms through NCLT. The disputes of the remaining 13 firms with RCom and Reliance Telecom are yet to be resolved.

Source: *Indian- Express*

Please find the full news at:

<https://indianexpress.com/article/business/to-recover-dues-from-anil-ambani-firms-24-creditors-move-tribunal-5418970/>

➤ The auction process for debt ridden Bhushan Power has been compromised: Tata Steel

The auction process for debt ridden Bhushan Power has been compromised, said Tata steel. As if the (resolution) process has been defined everybody should follow it. Tata Steel had put in a bid of Rs 17,000 crore for Bhushan Power ahead of JSW Steel which bid 11,000 crore. Following this, the CoC declared Tata Steel as the highest bidder. However, JSW Steel put in a revised bid of Rs 18,000 crore. Tatas too put in revised bid.

Source: *Economic Times*

Please find the full news at:

https://m.economictimes.com/industry/energy/power/the-auction-process-for-debt-ridden-bhushan-power-has-been-compromised-tata-steel/amp_articleshow/66365294.cms

