

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"Success is not final, failure is not fatal: it is the courage to continue that counts."

Updates on Insolvency and Bankruptcy Code

➤ Unusual for lenders to spurn offer higher than rival's, Ruias on Essar bid

Essar Steel Asia Holding, the holding company of the bankrupt Essar Steel that was controlled by the Ruias, proposed to the committee of creditors (CoC), led by State Bank of India, to pay an upfront Rs.543 billion to retake the management of Essar Steel, but approached the National Company Law Tribunal (NCLT) after not receiving any reply from creditors and told that it was "highly unusual" for lenders to not even consider its debt settlement proposal which was higher than its rival offer.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/companies/unusual-for-lenders-to-spurn-offer-higher-than-rival-s-ruias-on-essar-bid-118121701251_1.html

➤ Supreme Court seeks role for operational creditors in IBC proceedings

The Supreme Court suggested that operational creditors of bankrupt companies be given a voice in the resolution proceedings in proportion to their debt, including voting rights. In some cases, even the operational creditors' debt is huge but at present they don't have a say in the resolution process as they're not included on the committees of creditors (CoCs), which comprise financial creditors like banks and they have no voting rights when a CoC decides on what to do with an asset.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/supreme-court-seeks-role-for-operational-creditors-in-ibc-proceedings/articleshow/67137442.cms?from=mdr>

➤ Debt-Laden IL&FS Puts Road Assets On The Block

The new board of the insolvent Infrastructure Leasing & Financial Services Ltd. has put its road assets on sale as part of its debt-resolution plan. The stake sales are part of the revival plan of the new board—headed by billionaire banker Uday Kotak—that was approved by the insolvency court. IL&FS and its 347 subsidiaries and associate companies have a debt of about Rs 91,000 crore. The final transaction for sale of assets, and the resulting resolution plan can be implemented only after it gets approved by the National Company Law Tribunal and will be managed by financial and transaction advisers—along with the resolution consultant.

Source: Bloombergquint

Please find the full news at:

<https://www.bloombergquint.com/business/debt-laden-ilfs-puts-road-assets-on-the-block>

➤ Debt-laden Essar Steel invokes right to redeem as a shareholder

Essar Steel Asia Holding Ltd (ESAHL), the holding company of the bankrupt Essar Steel declared a right to do so as a shareholder and challenged the non-maintainability claim against its debt settlement proposal worth Rs.543.89 billion on behalf of Essar Steel. Also, invoked Section 60 (5) of the Insolvency and Bankruptcy Code (IBC) by arguing that the recent Supreme Court (SC) order directing NCLT to consider the Resolution Plans (RPs) of ArcelorMittal (AM) or Numetal (subject to payment of dues) could not be interpreted as restricting Essar's debt settlement proposal.

Source: Business- Standard

Please find the full news at:

https://www.business-standard.com/article/companies/debt-laden-essar-steel-invokes-right-to-redeem-as-a-shareholder-118121800049_1.html

➤ [NCLAT upholds NCLT order in Synergy Dooray case, no relief for Edelweiss](#)

Synergy Dooray Automative resolution met with stiff opposition from one of its financial creditors, Edelweiss Asset Reconstruction Company. After the plan was approved by the NCLT, Edelweiss made an appeal to the NCLAT against this decision and argued that the assignment of debt to MFL (one of the creditors) was fraudulent and also argued against the resolution plan submitted by Synergies Castings was in contravention of provisions of the IBC as it did not have an implementation schedule or means of supervision, which are mandatory contents of any resolution plan under Section 30. The NCLAT recently observed the NCLT order and allowed the resolution plan to proceed and dismissed the appeal preferred by Edelweiss.

Source: Barandbench

Please find the full news at:

<https://barandbench.com/nclat-upholds-nclt-order-in-synergy-dooray-case-no-relief-for-edelweiss/>

