

INSOLVENCY



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

**CASEBOOK: ISSUE 3**

**CORPORATE INSOLVENCY**  
**PROCESS OF ALOK**  
**INDUSTRIES**



  
**ALOK**  
INDUSTRIES LIMITED

## **Rs 4,000 cr Alok Industries debt case: Insolvency case filed by SBI accepted by NCLT**

The Ahmedabad bench of the National Company Law Tribunal (NCLT) on Tuesday admitted State Bank of India's (SBI) insolvency petition against Alok Industries. The court appointed Ajay Joshi as the interim resolution professional (IRP) for insolvency proceedings aimed at recovering close to Rs 4,000 crore that Alok owes SBI.

**Source: Financial Express**

<https://www.financialexpress.com/india-news/rs-4000-cr-alok-industries-debt-case-insolvency-case-filed-by-sbi-accepted-by-nclt/769143/>

## **Reliance Industries may buy unit of bankruptcy-hit Alok**

Reliance Industries Ltd may be looking at buying part of textile maker Alok Industries Ltd, three people familiar with the development said. The interest may be focused on the polyester yarn unit, they said. Alok Industries is one of 12 large accounts identified by the Reserve Bank of India in June for bankruptcy proceedings after having defaulted on loans.

**Source: Economic Times**

<https://economictimes.indiatimes.com/news/company/corporate-trends/reliance-industries-may-buy-unit-of-bankruptcy-hit-alok/articleshow/61585217.cms>

## **Alok Industries' insolvency pro calls for fresh bids to attract more players**

The insolvency professional supervising the Alok Industries bankruptcy process has called for fresh bids to resolve the Rs 29,000-crore default in the hope of attracting more bidders for the textile company, said two people with knowledge of the matter. "Alok was the only company among the 12 listed by Reserve Bank of India (RBI) to be referred to bankruptcy that did not receive any bids when the insolvency professional invited expressions of interest (EoIs),"

**Source: Economic Times**

<https://economictimes.indiatimes.com/markets/stocks/news/alok-industries-insolvency-pro-calls-for-fresh-bids-to-attract-more-players/articleshow/62261526.cms>

## **JM Financial, Reliance Ind buy Alok Industries**

Reliance Industries along with JM Financial Asset Reconstruction has acquired the debt-laden textile company Alok Industries in a National Company Law Tribunal-driven debt resolution process. The consortium has bid around ₹4,500-5,000 crore, which is marginally higher than the liquidation of Rs. 4,200 crore fixed by lenders and there is no equity allocation to the creditor. Most of the lenders to Alok Industries have voted in favour of the resolution plan given by Reliance.

**Source: Business Line**

<https://www.thehindubusinessline.com/news/jm-financial-reliance-ind-buy-alok-industries/article23515893.ece>

**RIL, JM Financial bid to acquire Alok Industries rejected**

Reliance Industries today said the its resolution plan for acquiring Alok Industries in conjunction with JM Financial Asset Reconstruction Company has been rejected by the Committee of Creditors. RIL had bid jointly with JM Financial to acquire the debt ridden textile manufacturer Alok Industries Ltd. "As intimated earlier, Reliance Industries Limited in conjunction with JM Financial Asset Reconstruction Company Limited submitted a resolution plan for Alok Industries Limited.

**Source: Business Line**

<https://www.thehindubusinessline.com/companies/ril-jm-financial-bid-to-acquire-alok-industries-rejected/article23549104.ece>

**Alok Industries employees' trust wants banks to reconsider resolution plan**

An employees' trust of debt-ridden Alok Industries has dashed off letters to the chairmen of nearly 10 banks asking them to reconsider their decision to reject a resolution plan submitted by a consortium led by Reliance Industries. The trust is of the opinion that the resolution plan will ensure the livelihood of about 18,000 employees, while the lenders will receive "much more" from the process.

**Source: Business Line**

<https://www.thehindubusinessline.com/todays-paper/tp-news/article23723805.ece>

**NCLT to resolution professional: Relook new bids for Alok Ind**

The National Company Law Tribunal has directed the resolution professional of Alok Industries to resubmit the plan submitted by JM Financial Asset Reconstruction and Reliance Industries to the Committee of Creditors for reconsideration. In the light of the provisions of the Insolvency & Bankruptcy Code (Amendment) Ordinance, the National Company Law Tribunal, Ahmedabad bench, has directed the resolution professional to convene a meeting of the committee of creditors and present the resolution plan that was voted upon in its April meeting before the committee for consideration.

**Source: Business Line**

<https://www.thehindubusinessline.com/news/nclt-directs-lenders-to-relook-at-alok-industries-bid/article24146149.ece>

## **Reliance-JM Financial ARC resolution plan set to win Alok Industries**

A recent amendment to India's bankruptcy law has helped billionaire Mukesh Ambani's Reliance Industries Ltd win approval from a lenders panel on a Rs. 5,050-crore resolution plan it had submitted jointly with JM Financial Asset Reconstruction Co Ltd for the debt-laden textile company Alok Industries Ltd. The approval of the creditors panel will take Reliance-JM Financial ARC a step closer to acquiring Alok Industries and bringing a logical conclusion to the bankruptcy proceedings of the textile company.

**Source: Business Line**

<https://www.thehindubusinessline.com/companies/reliance-jm-financial-arc-resolution-plan-set-to-win-alok-industries/article24234514.ece>

## **Alok Industries case: NCLT grants 'operational creditor' status to GAIL**

The Ahmedabad Bench of the National Company Law Tribunal (NCLT) on Wednesday accepted the plea of state-run gas supplier GAIL India to be treated as an operational creditor (OC) in the resolution process of textiles player Alok Industries. Reading out the operational part of the order passed on Wednesday, adjudicating authority Justice Harihar Prakash Chaturvedi said GAIL India will be treated as an OC on par with its status in other cases including the Essar Steel one.

**Source: Business Line**

<https://www.thehindubusinessline.com/companies/alok-industries-case-nclt-grants-operational-creditor-status-to-gail/article26260809.ece>

## **Alok Industries Ltd. - Corporate Insolvency Resolution Process (CIRP)-Approval of Resolution plan by Tribunal**

Pursuant to the verbal order pronounced by the Honble Bench of Honble National Company Law Tribunal (Ahmedabad) on March 8, 2019, the resolution plan dated April 12, 2018 submitted by Reliance Industries Limited, JM Financial Asset Reconstruction Company and JM Financial Asset Reconstruction Company Limited (as trustee to JMF ARC - March 2018 - Trust) has been approved by the Honble National Company Law Tribunal (Ahmedabad).

**Source: Business Line**

<https://www.thehindubusinessline.com/companies/announcements/others/alok-industries-ltd-corporate-insolvency-resolution-process-cirp-approval-of-resolution-plan-by-tribunal/article26483050.ece>

## **Gail moves appellate court to challenge Alok Industries resolution plan**

A joint resolution plan submitted by JM Financial Asset Reconstruction Co Ltd and Reliance Industries to take over distressed textiles company Alok Industries has hit a roadblock after Gail India, an operational creditor to Alok, challenged the plan before an appellate court. In a petition filed before the National Company Law Appellate Tribunal (NCLAT) in Delhi on May 27, Gail has opposed the resolution plan because it did not consider the government-owned gas and petrochemical company's claims, people familiar with the development said.

**Source: Economic Times**

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/gail-moves-appellate-court-to-challenge-alok-industries-resolution-plan/articleshow/69737885.cms?from=mdr>

## **NCLAT impleads SEBI as a party in the plea filed by RIL in Alok Industries matter**

The National Company Law Appellate Tribunal (NCLAT) has impleaded the market regulator SEBI as a party in a petition filed by Reliance Industries Ltd, which is seeking waiver in delisting procedure for Alok Industries. A two-member NCLAT bench headed by Chairman Justice S J Mukhopadhya has issued notice to the Securities and Exchange Board of India (Sebi) as a proforma respondent for this.

**Source: Financial Express**

<https://www.financialexpress.com/industry/nclat-impleads-sebi-as-a-party-in-the-plea-filed-by-ril-in-alok-industries-matter/1703454/>

## **Two retail investors petition NCLAT against Alok Industries' delisting move**

Two retail investors in Alok Industries have approached the National Company Law Appellate Tribunal (NCLAT), opposing new owner Reliance Industries' move to delist the textile firm that they claimed would erode the value of their stake. The two shareholders claimed that they were representing an informal group of more than a thousand retail investors in Alok Industries, which RIL had bought out of bankruptcy in Rs 5,050-crore deal in March. The resolution professional (RP) who managed Alok Industries through bankruptcy had set a five-year moratorium on delisting of its shares while calling for expressions of interest in the company.

**Source: Economic Times**

<https://economictimes.indiatimes.com/industry/cons-products/garments/-/textiles/two-retail-investors-petition-nclat-against-alok-industries-delisting-move/articleshow/71570634.cms>

### **Sebi denies RIL a waiver to delist Alok Industries**

Market regulator Securities and Exchange Board of India (Sebi) has denied Reliance Industries the waiver to delist the shares of Alok Industries, the bankrupt textile firm that it bought in a Rs 5,050-crore deal in March.

The market regulator's view, sought by the National Company Law Appellate Tribunal (NCLAT) bench headed by Justice SJ Mukhopadhaya, comes as a relief to minority shareholders of Alok who are opposing the delisting of shares.

**Source: Economic Times**

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-denies-ril-a-waiver-to-delist-alok-industries/articleshow/72101699.cms>

### **NCLAT allows delisting of Alok Industries**

The National Company Law Appellate Tribunal (NCLAT) has allowed Reliance Industries to delist textile manufacturer Alok Industries, which it has acquired through the insolvency process, in accordance with Sebi guidelines. A two-member NCLAT bench headed by Chairperson Justice S J Mukhopadhaya has modified the order passed by the National Company Law Tribunal (NCLT), Ahmedabad, which denied such permission.

**Source: Financial Express**

<https://www.financialexpress.com/industry/nclat-allows-delisting-of-alok-industries/1770878/>



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