

Annexure 1

The Bankruptcy Story Thus Far

In June 2017, RBI referred 12 large accounts, amount to over 1/4th of the rs.7.7 Lakh crore NPAs then. Their resolution will be a crucial test for the working of the new IBC. Following is a summary of the development since then

<p>Essar Steel Total Debt: Rs.49000 Crore Date of referral to NCLT: June 2017 Where it stands now: Locked in a battle between Arcelor Mittal and Russia's Numetal What is the Issue: Both bidders are questioning each other's eligibility on the basis of the revised insolvency and Bankruptcy Code, which bars promoters or related parties of defaulted firms to bid if they had not cleared dues. Ravi Ruia's son Rewant Rulia is associated with Numetal and rival Arcelor Mittal promoter Lakshmi Mittal is associated with defaulter Uttam Galva.</p>	<p>Alok Industries Total Debt: Rs.29,000 Crore Date of referral to NCLT: June 2017 Where it stands now: JM Asset Reconstruction Company is the lone bidder for the company after initial interest from four including Kotak Mahindra and Edelweiss. This is the second bidding process for the fully integrated textile unit. What is the Issue: Bankers are worried bid may be too low, even lower than the liquidation value. But many believe that at least real estate holdings and some attractive business segments should lead to banks demanding higher bids.</p>
<p>Bhushan Steel Total Debt: Rs.44,000 Crore Date of referral to NCLT: July 2017 Where it stands now: Tata Steel has emerged the top bidder outsmarting JSW Steel offering Rs.34,800 Crore as upfront payment against Rs.29,700 crore offered by JSW. What is the Issue: The deal was though to be final until last last week when Larsen & Toubro (L&T) moved the NCLT seeking 'higher priority' in repayment of dues owed by Bhushan Steel. It owes Rs.900 Crore to L&T.</p>	<p>Monnet Ispat Total Debt: Rs.10,237 Crore Date of referral to NCLT: June 2017 Where it stands now: The JSW Steel-AION Capital was the only bid that came for Monnet Ispat and Energy. The bid was for Rs.2450 crore to the lenders along with an equity funding of Rs.1050 crore. What is the Issue: The consortium will hold 75% in the company while 18% will be held by lenders and 3% by the existing promoters. Final approval is still pending as lenders are seeking legal opinion to make sure that the bid is in order.</p>
<p>Electrosteel Steels Total Debt: Rs.13,000 Crore Date of referral to NCLT: July 2017 Where it stands now: New Delhi based Renaissance Steel has questioned bids by Tata Steel and</p>	<p>Lanco Infra Total Debt: Rs.45,000 Crore Date of referral to NCLT: August 2017 Where it stands now: Four companies about whom little is known have submitted bids for the Hyderabad</p>

<p>Vedanta alleging that bot are guilty of criminal misconduct, so be barred from bidding.</p> <p>What is the Issue: Section 29A (d) of the IBC, prohibits bidding by entities or their subsidiaries that have been convicted for an offence punishable for more than two years, Renaissance Steel has claimed that subsidiaries of both Tata Steel and Vedanta have been convicted in the UK and Zambia, respectively.</p>	<p>based Lanco Infratech with interests in power and infrastructure projects. Little known companies like OPG Group, Prem Energy, Goyal Group and Diva Group have bid for the Company.</p> <p>What is the Issue: Bids by little known companies and suspect financial strength have stoked concerns amount the lenders, so no decision yet.</p>
<p>Amtek Auto Total Debt: Rs.12,722 Crore Date of referral to NCLT: July 2017 Where it stands now: UK based Liberty House has declared itself the winner in the bid but there has been no final word from bankers. Liberty House and US based hedge fund Deccan Value Investors were the final bidders for the asset.</p> <p>What is the Issue: Liberty House's green metal strategy involves recycling of scrap metal, instead of producing it from scratch. However while the company has declared itself as a winner it is unclear as of what price its willing to pay.</p>	<p>Jaypee Infratech Total Debt: Rs.8,000 Crore Date of Referral to NCLT: July 2017 Where it stands now: JSW Group is the highest bidder among six, including Adani group, jieyang Zhonguci of China, Deutsche Bank, Sudhir Walia- promoted Suraksha ARC, and parent Jaiprakash Asso.</p> <p>What is the Issue: JSW Group has offered Rs.9,914 Crore as a one time payment to lenders but has refused to settle claims of 32,000 home buyers, farmers and any penalty imposed by Rera (Real Estate Regulation and development act, 2016)</p>
<p>Bhushan Power & Steel Total Debt: Rs.49,200 Crore Date of referral to NCLT: June 2017 Where it stands now: UK based Liberty House Group has challenged the rejection of its bid by the resolution professional which were received after deadline.</p> <p>What is the Issue: Liberty House claims that its offer was higher than what was offered by Tata Steel, it claims that it got, confused between the deadline of Bhushan Power and Bhushan Steel and its bid was rejected without even opening the envelope.</p>	<p>ABG Shipyard Total Debt: Rs.16,000 Crore Date of Referral to NCLT: July 2017 Where it stands now: UK based Liberty House, Mahindra & Mahindra and the Mistry family controlled Shapoorji Pallonji Group were the three bidders in October last. Now only Liberty House is said to be the remaining bidder.</p> <p>What is the Issue: It is unclear as to what exactly is the offer from Liberty House. Bids were in the range of Rs.4,000 crore and lenders are yet to take a decision on whether to offer the company at such a steep discount.</p>