

Steel tycoon Gupta embroiled in dispute over Aartee administration

The steel tycoon Sanjeev Gupta has sparked a row over the administration of one of his biggest British customers after launching an attempt to take control of it.

Sky News has learnt that Mr Gupta's GFG Alliance has acquired control of a Singapore-based company called Aartee Group Pte Limited which is an indirect shareholder in two UK steel companies which collapsed into insolvency last week.

Sources said that GFG was expected to issue a statement later on Friday to confirm the purchase, and to say that it has filed a legal challenge to try to overturn the administration of Aartee Bright Bar Ltd and Aartee Bright Bar Property Ltd.

Alvarez & Marsal was appointed administrator to the two companies after Aartee's main creditor, FGI Worldwide, decided to pursue an insolvency of the businesses.

Aartee buys steel bars used in sectors such as construction and employs about 250 people in the West Midlands, Rugby, Bolton, Southampton and Newport.

The two companies remain in administration and A&M is said to be in active discussions with a significant number of interested parties about buying them and their assets.

GFG, which owns Mr Gupta's Liberty Steel empire, is expected to say that it has provided funding to cover Aartee Bright Bar's wages for four weeks to prevent job losses during the administration process.

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It was unclear on Friday, however, whether that funding would be acceptable to A&M or whether any imminent redundancies were

under consideration.

Mr Gupta is reported to have close ties to Ravi Trehan, Aartee's founder, while Greensill Capital, the controversial supply chain finance group which itself collapsed in 2021, is said to have financed a number of trades between the two.

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In a statement issued at the time of its appointment, Michael Magnay, joint administrator at A&M, said: "Like many businesses in its sector, Aartree Bright Bar has been facing significant headwinds as a result of the challenging economic environment and fluctuating steel prices.

"Against this backdrop, administrators have been appointed and we are exploring the options available to preserve value."

Aartee Bright Bar's insolvency comes amid talks between the government and Liberty Steel's two larger competitors – Tata Steel and British Steel – about £600m of taxpayer funding to aid their transition to greener electric arc furnaces.

The funding for British Steel has been thrown into doubt by its Chinese owner's plan to axe about 800 jobs, mainly at its Scunthorpe plant.

Mr Gupta has also announced proposals to cut hundreds of jobs across his UK operations.

GFG and A&M have both been contacted for comment.