

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



## **It does not matter how slowly you go as long as you do not stop.** **Updates on Insolvency and Bankruptcy Code**

### ➤ **It might be prudent for government to take a relook at IBC amendments**

Jio's offer to take over the assets of RCom, including spectrum, had to be shelved in March after the Department of Telecommunications (DoT) demanded that all its past dues be paid before it gave a go ahead to the sale. This forced RCom to initiate bankruptcy process against itself.

The DoT's stand before the National Company Law Tribunal in the Aircel case has been that spectrum cannot be classified as an asset of the telecom company or be sold as part of a resolution process. Two reasons were offered for this. First, a telecom company is merely granted a licence to use spectrum for a limited period of time and has no ownership rights over it. Second, as per a 2012 Supreme Court verdict, spectrum is a public resource and only the government can auction it.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/opinion/it-might-be-prudent-for-government-to-relook-recent-amendments-to-ibc-heres-why/1676667/>

### ➤ **NCLAT upholds insolvency proceedings against Sahara Q Shop**

NCLT had on December 15 allowed the insolvency plea filed by S Gurumoorthy, an operational creditor under section 9 of the Insolvency and Bankruptcy Code (IBC). Another group company of Sahara Group namely - Sahara Hospitality has settled the claim before the NCLT in another matter by paying Rs 20 crore.



The National Company Law Appellate Tribunal (NCLAT) upheld the order of the Mumbai bench of NCLT, directing to initiate insolvency resolution process against Sahara group subsidiary Sahara Q Shop Unique Products Range Ltd. A three-member NCLAT bench headed by chairman Justice S J Mukhopadhaya upheld the order passed by the National Company Law Tribunal (NCLT), which had on December 15, 2017, admitted the plea to initiate insolvency proceedings against the company filed by one of its operational creditors.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/nclat-upholds-insolvency-proceedings-against-sahara-q-shop/1676563/>

➤ **IL&FS report to NCLT highlights liquidity issues, cost-cutting steps**

The government-appointed board of IL&FS on August 13 submitted a report to the National Company Law Tribunal (NCLT), mentioning the progress made on the resolution of the IL&FS group companies. The report highlights ongoing liquidity issues being faced by the group. It also said two group entities were wound up in May, and the board reduced staffing by 43% between October 2018 and June 2019.

This is the fifth such report submitted by the board to the NCLT. The report was submitted a week after the National Company Law Appellate Tribunal (NCLAT) had pulled up the Uday Kotak-led board for slow progress on the resolution plan.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/ilfs-report-to-nclt-highlights-liquidity-issues-cost-cutting-steps/1676127/>



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