



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The only limit to our realization of tomorrow will be our doubts of today."

➤ **Insolvency, Sovereignty and Spectrum: Locating IBC Within Constitutional Order**

The Supreme Court's recent decision in *State Bank of India v. Union of India* [2026 Livelaw (SC) 152] will inevitably be described as a telecom ruling. It is more than that. At its heart lies a question that goes to the architecture of the Insolvency and Bankruptcy Code, 2016 (IBC): when a corporate debtor enters the Corporate Insolvency Resolution Process (CIRP), what is the juridical character of the rights it holds, and which of those rights constitute part of the insolvency estate?

The controversy arose from the insolvency of telecom service providers whose spectrum usage rights were reflected on their balance sheets as intangible assets. The submission advanced was that spectrum had been acquired for consideration, capitalised, and commercially exploited; it ought therefore to fall within the resolution pool, with the Department of Telecommunications ranking in the waterfall as an operational creditor for its dues.

The Court declined that invitation. In doing so, it did not weaken the IBC; it defined its perimeter. By holding that IBC cannot be "the guiding principle for restructuring the ownership and control of spectrum" (para 1.2), the Court shifted the axis of the inquiry. The issue was never the commercial value of spectrum. The issue was whether the right to use it is of a character that permits it to be dealt with through a creditor-driven restructuring process.

Answering that question required the Court to look beyond accounting treatment and into constitutional ordering. Once spectrum was located within the framework of public trust and material resources of the community, the insolvency analysis could no longer proceed on the assumption that every economically valuable interest reflected in a balance sheet necessarily enters the insolvency estate.

Source: *Live Law*

Read Full news: [*Insolvency, Sovereignty and Spectrum: Locating IBC Within Constitutional Order*](#)

➤ Relief for Mahagun as NCLT okays settlement with IDBI

Noida: National Company Law Tribunal (NCLT) has dismissed as withdrawn an insolvency petition filed by IDBI Trusteeship Services Ltd against the Mahagun real estate firm, after the parties signed an agreement earlier this month.

On Aug 5 last year, an insolvency application filed by IDBI Trusteeship was admitted by the tribunal. The order was subsequently challenged before the National Company Law Appellate Tribunal (NCLAT), which, in its judgment dated Nov 6, set aside the admission order and remanded the matter for fresh consideration. During the course of proceedings, Mahagun and IDBI Trusteeship entered into a settlement agreement on Feb 12 this year. The financial creditor then filed an application before the NCLT seeking withdrawal of the insolvency petition.

Source: *The Times of India*

Read Full news: [Relief for Mahagun as NCLT okays settlement with IDBI | Noida News - The Times of India](#)

➤ Section 7 IBC| Corporate Debtor Cannot Indirectly Raise "Pre-Existing Dispute" Defence Against CIRP Admission: Supreme Court

The Supreme Court held that in proceedings initiated by a financial creditor under the Insolvency and Bankruptcy Code 2016, the adjudicating authority is required only to examine the existence of a financial debt and default, and that the defence of a pre-existing dispute is inapplicable. The Court was hearing a Civil Appeal filed under Section 62 of the Code challenging the dismissal of a Company Petition by the National Company Law Tribunal, Mumbai, and the affirming judgment of the National Company Law Appellate Tribunal, Principal Bench, New Delhi.

Source: *Verdictum*

Read Full news: [Section 7 IBC| Corporate Debtor Cannot Indirectly Raise "Pre-Existing Dispute" Defence Against CIRP Admission: Supreme Court](#)



**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**

PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

INSOLVENCY PROFESSIONAL AGENCY OF INSTITUTE OF COST ACCOUNTANTS OF INDIA
(A Section 8 Company registered under Companies Act, 2013)
Delhi Office: CMA Bhawan, 3 Institutional Area, Lodhi Road New Delhi 110003
Noida Office: CMA Bhawan, C-42 Sector 62 Noida, 201309