

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



## HIGHLIGHTS

- **Private shipbuilder ABG set to be liquidated**
- **NCLAT sets aside NCLT's liquidation order of Jyoti Structures**
- **Statutory dues of companies are operational debt: NCLAT**
- **Reliance vs Ericsson: Unsecured Creditor Walks Away with Money Banks Clueless About Recovery**

## Updates on Insolvency and Bankruptcy Code, 2016

### ➤ Private shipbuilder ABG set to be liquidated

The resolution professional for ABG Shipyard, has filed an application with the Ahmedabad bench of the National Company Law Tribunal seeking liquidation of the Gujarat-based shipbuilder under Section 33 (2) of the Insolvency and Bankruptcy Code after a lenders panel rejected the resolution plan submitted by London-based Liberty House for the debt-laden shipbuilder.

Source: *Thehindubusinessline*

Please find the full news at:

<https://www.thehindubusinessline.com/economy/logistics/private-shipbuilder-abg-set-to-be-liquidated/article26597972.ece>

### ➤ NCLAT sets aside NCLT's liquidation order of Jyoti Structures

The National Company Law Appellate Tribunal has set aside the liquidation order of Jyoti Structures Limited and said that the Mumbai bench of National Company Law Tribunal should consider afresh the Rs 4,000 crore resolution plan submitted by Sharad Sanghi and others.

*Source: Business- Standard*

Please find the full news at:

[https://www.business-standard.com/article/companies/nclat-sets-aside-liquidation-order-of-jyoti-structures-limited-119032001058\\_1.html](https://www.business-standard.com/article/companies/nclat-sets-aside-liquidation-order-of-jyoti-structures-limited-119032001058_1.html)

### ➤ Statutory dues of companies are operational debt: NCLAT

The NCLAT held that statutory liability, including income tax and value added tax dues, of debt-ridden companies are 'operational debt', which will now allow the concerned revenue departments to be treated as operational creditors under the Insolvency & Bankruptcy Code. Also, it held that income tax department of the central government and the sales tax Departments of the state Governments and local authority, which are entitled for dues arising out of the existing law are Operational Creditors within the meaning of Section 5(20) of the I&B Code.

*Source: Business- Today*

Please find the full news at:

<https://www.businesstoday.in/current/policy/statutory-dues-of-companies-are-operational-debt-nclat/story/329852.html>

### ➤ Reliance vs Ericsson: Unsecured Creditor Walks Away With Money; Banks Clueless About Recovery

In case of Reliance-Ericsson dispute, the unsecured operational creditor Ericsson Indian Pvt Ltd of Reliance Communications has managed to claim nearly 50% of its dues by going through the IBC route while the Joint Lenders Forum(JLF) led by the State Bank of India are still groping in the dark to figure out means to recover their dues worth Rs 46,000 crores. In the scheme of the Insolvency and Bankruptcy Code, the claims of operational creditors rank lower than the claims of secured financial creditors. But in this case the unsecured operational creditor managed to upstage the financial creditors.

*Source: Livelaw*

Please find the full news at:

<https://www.livelaw.in/columns/reliance-vs-ericsson-unsecured-creditor-walk-away-with-money-banks-clueless-143728>

