

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



HIGHLIGHTS

- **Reliance Communications heads to bankruptcy court**
- **Insolvency proceedings: Defaulting promoters may get chance to come back**
- **Madison Pacific opposes withdrawal of Sterling Biotech bankruptcy case**
- **Registered Trade Union Can File Insolvency Petition as Operational Creditor on Behalf of Its Members**

Updates on Insolvency and Bankruptcy Code, 2016

➤ Reliance Communications heads to bankruptcy court

An appellate tribunal has vacated a stay on insolvency proceedings against Reliance Communications and its two units, which will make telco the second operator after Aircel in the sector to enter bankruptcy proceedings. The SC recently disposed of a writ and a special leave petition (SLP) filed by RCom which wanted insolvency proceedings in the dedicated bankruptcy court quashed. The National Company Law Tribunal will now hear the insolvency case on May 7 and appoint an interim resolution professional to manage the company under a debt of some Rs 46,000 crore and ultimately sell its assets to repay financial and operational creditors in 270 days.

Source: *EconomicTimes*

Please find the full news at:

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/reliance-communications-heads-to-bankruptcy-court/articleshow/69122711.cms>

➤ Insolvency proceedings: Defaulting promoters may get chance to come back

Defaulting promoters, who are barred from submitting resolution plans and bidding for their stressed companies under IBC, may get a last chance to make a comeback at the liquidation stage. IBBI, in its discussion paper on the corporate liquidation process has proposed that a credible 'compromise or arrangement' proposal can be made by players (including promoters) to the liquidator under the Companies Act.

Source: *FinancialExpress*

Please find the full news at:

<https://www.financialexpress.com/industry/insolvency-proceedings-defaulting-promoters-may-get-chance-to-come-back/1564228/>

➤ Madison Pacific opposes withdrawal of Sterling Biotech bankruptcy case

Lenders of Sterling Biotech were caught off guard when bondholders' trustee Madison Pacific Trust Ltd challenged the withdrawal of bankruptcy proceedings initiated by banks saying it held over 10% voting rights in the Committee of Creditors and their consent was not sought by the resolution professional at the time of voting. The lenders have approached the tribunal after accepting a one time settlement from the promoters of the company.

Source: *EconomicTimes*

Please find the full news at:

<https://economictimes.indiatimes.com/industry/healthcare/biotech/madison-pacific-opposes-withdrawal-of-sterling-biotech-bankruptcy-case/articleshow/69122648.cms>

➤ Registered Trade Union Can File Insolvency Petition As Operational Creditor On Behalf Of Its Members

The Supreme Court has held that a registered trade union can maintain a petition as an operational creditor on behalf of its members. The appeal was allowed against the National Company Law Appellate Tribunal order which held that a trade union would not be an operational creditor as no services are rendered by the trade union to the corporate debtor.

Source: *Livelaw*

Please find the full news at:

<https://www.livelaw.in/top-stories/registered-trade-unions-can-file-insolvency-petitions-144660>

