



IBC AU-COURANT

Latest updates On Insolvency & Bankruptcy

Tuesday, 6th July, 2022

"Get busy living or get busy dying"

➤ **RCom fails to attract buyers for non-core assets**

Bankrupt telco Reliance Communications, which is undergoing insolvency proceedings, has failed to attract any buyers for its noncore assets it put on sale earlier this year. In March, the company through its appointed resolution professional had informed the Bombay Stock Exchange that the committee of creditors had approved the sale of certain non-core assets of RCom. Expression of interest was invited by April 17.

These assets included land in Pune (871.1 sq metres) and Chennai (3.44 acres); offices in Chennai's Haddows Road and Bhubaneswar; and shares of Campion Properties Ltd and Reliance Realty.

However, the company failed to attract interest, resulting in the extension of the deadline for submitting interest to bid multiple times, the latest being June 27. Sources in the know reveal that once again, there have been no takers for these properties.

There is no clarity on what the company intends to do next. It was to approach the National Company Law Tribunal (NCLT) for approval of sale of said assets on July 20, but with no interested parties, it does not seem likely.

Mails sent to resolution professional Anish Nanavaty on the matter did not elicit any response till press time.

Experts believe that the lack of interest in the assets up for sale could be because of uncertainty related to what these properties and companies may be attached to, and the fact that the sale of the assets is subject to NCLT approval.

Source: The Economic Times

Read Full news at: <https://telecom.economictimes.indiatimes.com/news/rcom-fails-to-attract-buyers-for-non-core-assets/92681340>

➤ Bid For Corporate Debtor As 'Going Concern' To Be Given Preference Over The Standalone Bid; NCLT Ahmedabad

The National Company Law Tribunal, Ahmedabad Bench, comprising of Madan B. Gosavi (Judicial Member) Kaushalendra Kumar Singh (Technical Member), while adjudicating an application filed in Arrhum Tradelink Private Limited v Vineeta Maheshwari & Ors., has held that when two equal bids are received in an auction, then Corporate Debtor must be sold to the bidder who purchases it as a 'going concern', rather than to a bidder who purchases the assets at a standalone basis. The object of the Insolvency and Bankruptcy Code, 2016 (IBC) is not only to clear the debts of the Corporate Debtor, therefore, the liquidator must protect the existence of the Corporate Debtor and avoid its death by ultimately pushing it into dissolution.

On 28.02.2020, the liquidator conducted the e-auction of the assets of Kaneria Granito Ltd. ("Corporate Debtor") in the liquidation process, by adopting two methods of sale simultaneously: (i) sale of Corporate Debtor's assets on a stand-alone basis, and (ii) sale of the Corporate Debtor as a going concern. The two bidders in the e-auction were Arrhum Tradelink Pvt. Ltd. ("Applicant") and Torrecid India Pvt. Ltd. ("Declared Successful Bidder"), the latter was declared as the successful bidder.

The Applicant filed an application under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 (IBC), seeking direction to the liquidator to declare the Applicant as the successful bidder and cancel the bid of M/s. Torrecid India Pvt. Ltd., as the Applicant is willing to purchase the Corporate Debtor as a going concern, which is the main objective of the IBC.

The Bench observed that M/s. Torrecid India Pvt. Ltd. was declared as the successful bidder despite same bid price because the system by which e-auction was conducted had accepted its bid at 03:21 pm and at that very moment, the Applicant had offered the amount of Rs. 38.25 Crores. Thereafter, at 03:23 pm the Applicant had also offered the same amount as Rs. 38.40 Crores but the system rejected the bid.

Source: Live Law

Read Full news at: <https://www.livelaw.in/news-updates/nclt-ahmedabad-insolvency-and-bankruptcy-code-corporate-debtor-liquidator-successful-bidder-202998>

