



## IIPI Newsletter

April 12, 2019

Volume 2, Number 12

\*For Internal Circulation Only\*

Knowledge SBU Initiative

### **DoT forms panel to deal with insolvency issues**

The Department of Telecommunications (DoT) has formed a six-member panel to ascertain, among other things, how to “safeguard” the value of public resources, such as spectrum, in cases where telecom operators have filed for insolvency.

### **I-T Dept looking at IBC resolution cases for possible tax violations**

The Income Tax Department has sought details of the status and identification of creditors and debtors under the Insolvency and Bankruptcy Code to investigate possible tax violations.

Senior IT officials told *BusinessLine* that the Mumbai Office of the Director of Intelligence and Criminal Investigation has been in touch with the NCLT seeking minute details of the parties in all such cases where it believes that tax violations may have happened. The information on Resolution Professionals associated with the cases have also been sought.

### **SC's RBI Circular judgment: A Treatise On Interpretation Of Statutes**

The recent Supreme Court judgment on the RBI circular dated 12th February 2018 is a treatise on the subject of interpretation of statutes. The judgment, sound on its reasoning, struck down the circular issued by RBI through which it had asked the lenders to institute a board-approved policy for the resolution of stressed assets.

The Supreme Court, however, held in its 84-page judgment that the circular is ultra vires of Section 35AA of the Banking Regulation Act and that RBI had no powers to issue such an order under the current statutory scheme.

## POINT TO PONDER

**"Price ain't merely about number. It's a satisfying sacrifice."  
– Toba Beta, Master of Stupidity**

### **NCLT clears Sterling SEZ's one-time settlement offer**

The NCLT on Wednesday cleared a controversial proposal by public sector banks to withdraw bankruptcy proceedings against Sterling SEZ and Infrastructure Ltd after the company's absconding promoters made a one-time settlement (OTS) offer to the lenders from overseas.

### **Insolvency resolution framework for individuals set to be issued shortly**

The government is soon expected to put in place a framework for insolvency resolution in case of personal guarantors to corporate debtors, and take up the issue of debt resolution in case of proprietorship and partnerships in the second phase.

As the IBBI has already finalised the norms for individual bankruptcy resolution in case of personal guarantors, the government is expected to notify these within a month, sources familiar with the matter said. Under IBC, a corporate debtor or a financial creditor can take listed and unlisted companies to the NCLT for initiating a time-bound corporate insolvency resolution process CIRP.

### **Ericsson may have to refund Rs 576 crore to RCom, says NCLAT**

Ericsson may have to refund the settlement sum of Rs 578 crore that the company has received from Reliance Communications (RCom) as the NCLAT reiterated the observation that IBC has been triggered against the Anil Ambani Company.

NCLAT directed Ericsson to clarify the state of proceedings before the Supreme Court and said if the tribunal allows IBC against RCom, the Swedish giant has to return the settlement sum of Rs 578 crore. NCLAT will hear the case on April 30.

### **An apex court judgement that forces reflection on all sides**

The Supreme Court judgement on the circular issued by the Reserve Bank of India (RBI) on 12 February 2018 should be welcomed by all parties, including RBI. It enables all sides to reflect on the mistakes they made, and the steps that need to be taken to resolve the situation in a manner that facilitates not just the recovery of loans, but also economic growth, for the assets involved are mostly power generation assets.

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