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Earlier, in February 2019, the Anil Ambani-owned telco had approached the NCLAT to withdraw the appeal it had filed in 2018 for a stay on an insolvency petition against the telco admitted in the National Company Law Tribunal (NCLT). NCLAT, on May 30, 2018, stayed the proceedings, subject to RCOM paying Ericsson Rs 5.50 billion as a settlement amount.

If the appeal (against the admission of bankruptcy proceedings against RCOM) gets dismissed, then Ericsson will have to pay back the money. The rationale is why should Ericsson take the amount and the financial creditors suffer. Also, as per the NCLAT bench, assets of RCOM, weighed down by Rs 460 billion in debt, had not been sold in accordance with the terms of the agreement under which the insolvency proceedings were stayed. RCOM was forced to scrap its wireless assets sale to Reliance Jio following successive legal obstacles.

The bench may consider dismissing the appeal and let the 'insolvency' proceedings go on.

The observations of the NCLAT bench, which will next hear the matter on April 30, might turn the tables on Ericsson which recently received dues worth Rs 5.50 billion from RCOM, plus interest, totalling Rs 5.76 billion, as Anil Ambani faced the threat of imprisonment.

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