



IIPI Newsletter

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Knowledge SBU Initiative

NCLT Cancels Summer Vacation For The Year 2020 In All Of Its Benches

The NCLT has cancelled the summer vacation at all its Benches for the year 2020.

The President of the National Company Law Tribunal passed an order regarding this stating the Summer Vacations falling in the months of May, June and July 2020 as per the calendar of the respective NCLT Bench stand cancelled. All Benches of NCLT will therefore remain functional during the said period.

Government may introduce pre-packaged deals in IBC to mitigate covid-19 delays

Concerns over delay in arriving at bankruptcy resolutions amid the covid-19 pandemic have prompted the government to examine regulations for a pre-packaged IBC scheme, said two people aware of the development.

The scheme, which will have a pre-negotiated deal and the respective tribunal will just take it up for approval, is expected to ease the burden of the NCLT.

With a huge backlog of cases, the NCLT benches are stretched and the current delay due to covid-19 will only add to it. A pre-pack provides certainty of resolution without going through the long-winded court process. Moreover, in a typical IBC case, there is always an uncertainty if people would bid, and even if they do, whether lenders will accept it.

IBBI seeks public comments on existing regulations

Continuing efforts to ensure a more conducive regulatory framework for stakeholders; IBBI has sought comments from the public on existing regulations under the insolvency law. IBBI is a key entity in implementing the IBC.

Noting that stakeholders could play a more active role in making regulations, IBBI said that they may contemplate, at leisure, the important issues in the extant regulatory framework that hinder transactions and offer alternate solutions to address them.

POINT TO PONDER

*"In teamwork, silence isn't golden, it's deadly."
– Mark Sanborn*

CBIC amends Special Procedure for Corporate Debtors under IBC

The Central Board of Indirect Taxes and Customs (CBIC) has amended the Special Procedure for Corporate Debtors under the IBC.

The CBIC had laid down the special procedure to be followed in the case of Corporate Debtors under the IBC.

According to the Notification, the said class of persons shall not include those corporate debtors who have furnished the statements under section 37 and the returns under section 39 of the said Act for all the tax periods prior to the appointment of IRP/RP.

The Notification also substituted the Registration part of Special Procedure and said that the said class of persons shall, with effect from the date of appointment of IRP / RP, be treated as a distinct person of the corporate debtor, and shall be liable to take a new registration in each of the States or Union territories where the corporate debtor was registered earlier, within thirty days of the appointment of the IRP/RP or by 30th June 2020, whichever is later.

Depositor distress hits the peak with rise in financial institution failures

Investors in Franklin Templeton, PMC Bank, DHFL are in the lurch with no access to their hard-earned money and little to no hope for their future. The recent failures of financial services institutions in the country sent shock waves down the financial system.

NCLT Notifies Transfer of 8 Members with Immediate Effect

The NCLT has notified the transfer of 8 members with immediate effect. They are BP Mohan, Mohammed Ajmal, Sucharita R, Narender Kumar Bhola, Veera Brahma Rao Arekapudi, Virendra Kumar Gupta, Prasanta Kumar Mohnaty, Venkata Subha Rao Hari.

***Feedback requested at ipa@icai.in**