



## IIPI Newsletter

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Knowledge SBU Initiative

### **NCLAT issues standard operating procedure for virtual hearings from June 1**

NCLAT has issued a standard operating procedure for conducting virtual hearing of urgent matters from June 1. The appellate tribunal has decided to hear all urgent matters through video conferencing only from June 1, and all works, including mention of urgent matters, would be done online. Court fee would be deposited online through Bharat Kosh, it said.

### **IL&FS Case: NCLAT Dismisses Plea By Wife, Daughter Of Former CEO**

The NCLAT has dismissed an appeal filed by the wife and daughter of a former executive of IL&FS group that challenged a tribunal order permitting the government to implead them in the oppression and mismanagement case at the infrastructure conglomerate. The NCLAT, while dismissing the plea by Ashakiran and Akanksha Bawa, wife and daughter of Ramesh C Bawa, former managing director and chief executive officer of the debt-ridden group, against a NCLT order, also dismissed their plea that sought to reopen their bank accounts that were sealed.

### **Insolvency halt gives a rude jolt to boutique IRPs**

Boutique insolvency resolution professional (IRP) advisory firms as well as chartered accountancy and company secretary firms that had ramped up operations over the past two years anticipating an increase in business are a worried lot after the filing of fresh cases under the Insolvency & Bankruptcy Code was suspended.

“Clarity will come after the notification comes since the devil always lies in the details,” said Santanu T Ray, a senior partner at AAA Insolvency Professionals LLP. “If the ordinance puts a blanket ban on all cases, then it will be counterproductive. If the company is already defaulting for the last couple of years, even before the pandemic hit, then it’s good if lenders can take them to the resolution process.”

## POINT TO PONDER

*"Failure is the condiment that gives success its flavor."  
– Truman Capote*

### Lenders Put Up Reliance Naval For Sale Under Insolvency Process

Lenders of Reliance Naval and Engineering Ltd., part of Anil Ambani's Reliance Group, have sought expressions of interest from buyers for the sale of the private shipbuilder under the Insolvency and Bankruptcy Code. The company is currently facing insolvency proceedings at the Ahmedabad bench of the National Company Law Tribunal.

The last date for submission of EoIs is June 27, while final list of prospective resolution applicants will be issued on July 17, according to an offer notice issued by the firm's resolution professional. Companies with a minimum net worth of Rs 600 crore and a consolidated group turnover of at least Rs 2,000 crore can bid for the company. The eligibility for financial institutions and private equity investors is Rs 1,000 crore of minimum assets under management.

### Liquidation of Jeypore Sugar ordered

The Chennai Bench of the NCLT has ordered liquidation of The Jeypore Sugar Company Ltd, which owed about ₹475 crore to banks. Last year, bankruptcy proceedings were initiated against the company in a case filed by IDBI Bank Ltd.

As of March 12, 375 days have been completed since the commencement of insolvency proceedings, which is beyond the stipulated period of 330 days. The NCLT refused to grant additional time for finding a suitable bidder for revival of the company, noting that no plan has been received till date and there is no exceptional circumstance which has arisen to grant the extension.

### GSTN enables registration functionality for companies under IBC

The Goods and Services Tax Network (GSTN) on Sunday announced a new registration functionality for erstwhile registered entities who are now corporate debtors under the provisions of IBC, 2016. GSTN is the information technology backbone for the indirect tax system. This new facility will benefit the companies which are undergoing the corporate insolvency resolution process and those whose management affairs are being undertaken by Interim Resolution Professionals or Resolution Professionals.

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