



"The only person you are destined to become is the person you decide to be."

Updates on Insolvency and Bankruptcy Code

NCLAT dismisses NCLT order to make MCA party to every IBC case

The National Company Law Appellate Tribunal (NCLAT) has set aside an order of the Principal Bench of NCLT that the Ministry of Corporate Affairs (MCA) will have to be made a party to every case under the Insolvency and Bankruptcy Code (IBC).

The appellate tribunal said that the NCLT's order dated November 22, 2019, is "beyond the power" of the tribunal and it tantamount to imposition of a new rule in a compelling fashion. The impugned order making it applicable throughout the country to all the benches of NCLT is untenable and it suffers from material irregularity and patent illegality in the eye of law, said the judgment.

Source: Moneylife.in

Please find the full news at:

<https://www.moneylife.in/article/nclat-dismisses-nclt-order-to-make-mca-party-to-every-ibc-case/60442.html>

Is IBC suspension antithetical to pandemic protection?

The suspension of the Insolvency and Bankruptcy Code (IBC) proceedings for a year raises concerns for various stakeholders. IBC has arguably been one of the crown jewels of reforms and has helped India jump a few notches on the 'ease of doing business' index.

If the intended consequence of the suspension was to protect India Inc. from a stringent legislation for NPA resolution and prevent companies from being acquired at rock-bottom valuations, we may need to take a closer look to see whether intent and effect will actually converge. After the suspension, avenues for rehabilitation are currently only under the Act and RBI's Prudential Framework for Resolution of Stressed Assets (June 7 Circular).

Source: New Indian Express

Please find the full news at:

<https://www.newindianexpress.com/opinions/2020/may/26/is-ibc-suspension-antithetical-to-pandemic-protection-2147967.html>

NCLAT's resolution professional ruling: Several bankruptcy cases face delay

Fate of several insolvency cases, including EPC Constructions (earlier known as Essar Projects), Videocon Industries and Metenere hang in balance. This is because the National Company Law Appellate Tribunal (NCLAT) had ordered that a former bank official cannot be appointed as a resolution professional (RP) in a company facing bankruptcy.

State Bank of India (SBI), which had proposed the names of its former officials as RPs in several cases, has the option to move to Supreme Court to appeal against the NCLAT order, say lawyers. Lawyers said the bankruptcy process will be impacted as the RPs of these companies were earlier bank officials who took over these positions after their retirement. This was a conflict of interest, felt several companies, moving courts.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/nclats-resolution-professional-ruling-several-bankruptcy-cases-face-delay/>



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