



INSOLVENCY PROFESSIONAL AGENCY
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➤ Improving The Functioning Of The National Company Law Tribunal – A Perspective

The National Company Law Tribunal (NCLT), established on 01 June 2016 under the Companies Act, 2013, is a premier tribunal in the commercial and economic field. Its primary litigants are financial sector entities and bodies corporate. The enactment of the Insolvency & Bankruptcy Code, 2016 (IBC) is often cited as one of the main drivers for India's quantum jump from rank 142 in 2014 to 62 in 2019 in the Ease of Doing Business Rankings, the most recent year for which data is available.[1] The rankings cover 190 world economies.

Having said that, there is still a general feeling of unease with reference to two issues – (i) the delay factor in disposal of applications by the NCLT especially applications pertaining to admission of corporate debtors into the corporate insolvency resolution process (CIRP), and approval of resolution plans; and (ii) the so-called "rate of recovery" under the IBC. We may look at these issues one by one.

One of the reasons for delays in admission applications is that while the IBC prescribes a time frame of fourteen days for admission, the time taken for admission by NCLT is way above this time frame. While NCLT is being pilloried for this, it is my personal experience that all stakeholders are to share the blame for this, not just the NCLT.

Source: Live Law

Read Full news at: <https://www.livelaw.in/articles/improving-the-functioning-of-the-national-company-law-tribunal-229813>

➤ HCs shouldn't hear insolvency cases, argues Go First RP

High courts should not entertain insolvency-related petitions, the resolution professional of Go First argued before the Delhi High court on Wednesday.

The high court is hearing a batch of writ petitions filed by multiple lessors seeking the court's intervention to direct the Directorate General of Civil Aviation (DGCA) to deregister the aircraft leased to Go First. The matter will be taken up by the high court on Thursday.

On 10 May, the National Company Law Tribunal (NCLT) in its order admitted Go First under insolvency. Due to the imposition of the moratorium under the Insolvency and Bankruptcy Code, 2016, the lessors do not have a legal position to take back possession of the aircraft leased to the cash-strapped airline, thereby leading to a dispute between the two.

However, according to lessors they are entitled to take possession of the aircraft from Go First and this has led to lessors writing to the DGCA to deregister the aircraft.

Source: Mint

Read Full news at: <https://www.livemint.com/companies/news/high-courts-should-not-hear-insolvency-petitions-go-first-s-irp-argues-before-delhi-high-court-11685554939785.html>

➤ Cabinet note on fast-track insolvency resolution likely in June

The government is giving the final touches to a cabinet note that will clear the ground for a fast-track mechanism under the Insolvency and Bankruptcy Code (IBC). Once the mechanism is in place, creditors will have the option of reaching an informal out-of-court resolution that will be taken to the National Company Law Tribunal (NCLT) only for final approval. The fast-track mechanism will come along with the existing Corporate Insolvency Resolution Process under the IBC. The Cabinet note is likely to be sent for approval in June, one of the sources cited above told Money control.

Source: Moneycontrol

Read Full news at: <https://www.moneycontrol.com/news/business/economy/cabinet-note-on-fast-track-insolvency-resolution-likely-in-june-sources-10715291.html>

