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Delhi High Court's ruling on interpretation of Arbitration (Amendment) Act.

The Delhi High Court delivered a significant judgment on 6th Jan, 2017 on Section 36 of the Arbitration and Conciliation Act, a provision that was amended with retrospective effect in 2015.

As per the pre-amended section, the petitioners would have an automatic right of stay on the enforcement of an arbitral award once an application under Section 34 (Application for setting aside an arbitral award) was filed. However, after the amendment, a Section 34 application did not automatically give the right of stay to the applicant. The award would not be rendered unenforceable unless the court granted the order of stay on a separate application.

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Income Tax (1st Amendment) Rules, 2017

The Central Board of Direct Taxes (CBDT) through a notification published in the official gazette have made certain amendments in the Income Tax Rules, 1962 in exercise of the powers conferred by section 139A and section 285 BA read with section 295 of the Income Tax Act, 1961 (43 of 1961).

The Notification issued by CBDT on 6th January, 2017, also called as Income-Tax (1st Amendment) Rules, 2017. Under the amended rules, the banks have been directed to submit information about cash deposits during the period of 1st April, 2016 to 9th November, 2016 in respect of accounts that have seen deposits of more than Rs.2.5 lakhs in demonetized currency between the period of 9th November and 30th December. Further directions issued commands every person having an account in the bank and have not yet submitted their Permanent Account Number (PAN) of Form No. 60 to do so before end of February, 2017, as all banks, including co-operative banks are directed to link PAN or Form No. 60 to bank accounts on or before 28th February, 2017.

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CHALLENGES IN NEW INSOLVENCY AND BANKRUPTCY CODE

The Insolvency and Bankruptcy code (IBC) is the bankruptcy law of India which seeks to

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consolidate the existing framework by creating a single law for insolvency and bankruptcy in India. The (IBC) replaces a fragmented legal framework and a broken institutional set-up that has been delivering poor outcomes for years for creditors and distressed businesses seeking an exit. Introduced in Lok Sabha in December 2015, Passed by Lok Sabha on 5 may 2016, the code received the assent of the President of India on 28 may 2016. The code seeks to repeal the presidency towns insolvency act, 19 act, 1993 and sick industrial companies (special provisions) repeal act, 2003, among others.

After 15 months, the first case registered under the newly established system does not inspire assurance. The ICICI bank versus Innoventive industries case for the recovery of Rs. 955 Crore under the IBC has created various doubts in the minds of lenders and bankers before they take the step of taking up their case under the IBC.

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