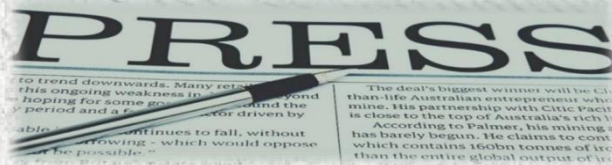


Date: June 9, 2020

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"If you can't explain it simply, you don't understand it well enough."

Updates on Insolvency and Bankruptcy Code

Saving viable cos more important than liquidating unviable ones: IBBI chief

Insolvency and Bankruptcy Board of India (IBBI) Chairman M S Sahoo said on Sunday it made no sense to save an insolvent firm when one could not save the economy. He said rescuing a viable firm was more crucial than failing to liquidate an unviable one during the current Covid-19 crisis.

Addressing a webinar, Sahoo said there were 13,000 pending applications for admission of corporate insolvency resolution process filed with the National Company Law Tribunal. There were 2,000-3,000 insolvency processes which will continue under the Insolvency and Bankruptcy Code (IBC).

Source: Business Standard

Please find the full news at:

https://www.business-standard.com/article/economy-policy/saving-viable-cos-more-important-than-liquidating-unviable-ones-ibbi-chief-120060700391_1.html

IBC suspension leaves door open for fraud: Experts

The government's decision to suspend initiation of fresh insolvency proceedings for six months from March 25 might be a blessing for many companies impacted by the Covid-19 outbreak and the lockdown, but it also leaves the door open for fraud, experts warn.

As per the ordinance issued on Friday, proceedings under the Insolvency and Bankruptcy Code can never 'ever' be filed for defaults occurring during the suspension period.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/ibc-suspension-leaves-door-open-for-fraud-experts/articleshow/76254693.cms?from=mdr>

IBC ordinance: Lenders may start taking pre-Covid unresolved cases to NCLT

Lenders may start dragging unresolved cases from before the Covid crisis to the National Company Law Tribunal (NCLT) on a case-to-case basis, as per the reading of the Insolvency and Bankruptcy Code (IBC) ordinance fineprint. As per amendments in IBC, the window for NCLT is open for unresolved cases before Covid-19.

Banks will take a call on referring companies to NCLT on a case-to-case basis, he further added. The government on Friday notified an ordinance to suspend insolvency proceedings for up to one year against fresh default from March 25.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/ibc-ordinance-lenders-may-start-taking-pre-covid-unresolved-cases-to-nclt/1985485/>

Suspension of IBC: Spotlight now on schemes under the Companies Act

In view of the suspension of the IBC, the government must create an alternative framework. It is the need of the hour.

The finance minister has announced the suspension of fresh insolvency proceedings for up to one year. During this period, the Insolvency and Bankruptcy Code, 2016 (IBC) will not be available for debt resolution and distressed companies and their creditors may turn to 'schemes' under the Companies Act, 2013.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/suspension-of-ibc-spotlight-now-on-schemes-under-the-companies-act/>



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