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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**"You are the only one who can limit your greatness."**

## **Updates on Insolvency and Bankruptcy Code**

### **Government may introduce pre-packaged deals in IBC to mitigate covid-19 delays**

Concerns over delay in arriving at bankruptcy resolutions amid the covid-19 pandemic has prompted the government to examine regulations for a pre-packaged Insolvency and Bankruptcy Code (IBC) scheme, said two people aware of the development.

The scheme, which will have a pre-negotiated deal and the respective tribunal will just take it up for approval, is expected to ease the burden of the National Company Law Tribunal (NCLT). Shardul Shroff, executive chairman at law firm Shardul Amarchand Mangaldas & Co told Mint in an interview that pre-pack is a solution, where parties come forth with an existing offer.

Source: Livemint News

Please find the full news at:

<https://www.livemint.com/industry/banking/government-may-introduce-pre-packaged-deals-in-ibc-to-mitigate-covid-19-delays-11588766509723.html>

### **There Could Be Severe Consequences to Suspending India's Insolvency and Bankruptcy Process**

Recent media reports suggest that the cabinet has approved the introduction of 'Section 10A' to India's Insolvency and Bankruptcy (IBC) code, which would, in turn, suspend the applicability of Sections 7, 9 and 10. Put simply, this would mean that no applications for corporate insolvency resolution process can be initiated by financial creditors, operational creditors and the company itself during the period of applicability of Section 10A.

As a corollary, there would be no applicability of Section 14 of the IBC for providing a moratorium. The basic thesis of IBC – where a creditor is in control and the resolution professional takes charge and control over the debtor’s assets – would no longer be applicable and the rationale of the process would be irretrievably lost. The efficiency of IBC was achieved because of the significant departure from the past whereby the debtor in possession was substituted by the creditor in possession. IBC introduced the concept of creditor in possession and control.

**Source: The Wire**

**Please find the full news at:**

<https://thewire.in/business/there-could-be-severe-consequences-to-suspending-indias-insolvency-and-bankruptcy-process>

### **Jet lenders to take a call on fresh Eols, voting to conclude by May 18**

Lenders of beleaguered Jet Airways will vote on calling for fresh expression of interest (Eol) for the defunct airline. The voting will conclude by May 18. If lenders decide in favour of fresh Eols, this will be the third time they would have called for Eols for Jet. The last two attempts have not yielded any positive result as none of the interested parties came forward with a concrete plan.

The criteria for bidding has also been revised. Bidders will need to have a net worth or assets under management of Rs 500 crore to be able to participate. The previous criteria was of Rs 1,000 crore. This has been done because liquidation will not yield any value for lenders. Earlier, the bankruptcy tribunal had extended the corporate insolvency resolution process of Jet by 90 days. Jet’s 270 day CIRP ended in mid-March.

**Source: IBC Guide**

**Please find the full news at:**

<http://www.ibcguide.com/jet-lenders-to-take-a-call-on-fresh-eois-voting-to-conclude-by-may-18/>



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