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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**"If you do what you always did, you will get what you always got."**

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

### **Indian industry needs structural reforms for long-term growth: Niranjan Hiranandani**

I think it's quite clear that we are going through a crisis. It's twofold. In the short term, we are making representations to the government on the lack of liquidity, NPAs, NCLT, payment crisis and non-availability of materials coming from China because of the coronavirus.

Structural reforms are required to make a change in the industry, business, trade and banking system in order to achieve long-term growth.

**Source: Hindu Business Line**

**Please find the full news at:**

<https://www.thehindubusinessline.com/news/real-estate/indian-industry-needs-structural-reforms-for-long-term-growth-niranjan-hiranandani/article31161449.ece>

### **Banks want NPA forbearance for next two quarters or more**

While the government has raised the threshold for invoking insolvency under the IBC (Insolvency & Bankruptcy Code) to Rs 1 crore from Rs 1 lakh, financial institutions and banks expect much more, with banks in particular want at least 90 days deferment in NPA (non-performing asset) classification. The real impact of the crisis could be felt in the next two quarters, they said.



A senior official of State Bank of India said, “The real economy is in deep trouble. In the next two quarters or more, banks expect deferment of NPA. Additionally, sectors like aviation, airport infrastructure, logistics, transport and hospitality among other would need some stimulus.” An account is classified NPA if the default is beyond 90 days. With the present crisis, a very large number of accounts will fall in this category in the next two quarters.

**Source: IBC Guide**

**Please find the full news at:**

<http://www.ibcguide.com/ibc-banks-want-npa-forbearance-for-next-two-quarters-or-more/>

### **FM Sitharaman rescues MSMEs from insolvency proceedings amid Coronavirus**

To help MSMEs tide over the possible financial distress due to the onslaught of the Coronavirus pandemic, Finance Minister Nirmala Sitharaman on Tuesday announced raising the threshold for default by MSMEs sharply from Rs 1 lakh to Rs 1 crore under section 4 of the Insolvency and Bankruptcy Code (IBC), 2016. “This will by and large prevent triggering of insolvency proceedings against MSMEs,” said a press note issued by the Finance Ministry.

“Now they (MSMEs) can focus on their work rather defending themselves before NCLT to save their business and assets. It will also help the judicial infrastructure as the number of cases to be filed will drastically reduce for the time being,” Rajesh Narain Gupta, Managing Partner, SNG & Partners told Financial Express Online.

**Source: IBC Guide**

**Please find the full news at:**

<http://www.ibcguide.com/fm-sitharaman-rescues-msmes-from-insolvency-proceedings-amid-coronavirus/>



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