

Date: March 30, 2020

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**“Develop success from failures. Discouragement and failure are two of the surest stepping stones to success.”**

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

### **Lockdown period won't be counted in IBC timeline: IBBI**

Lockdown period will not be counted towards the timeline for any activity under the corporate insolvency resolution process. “The period of lockdown imposed by the Central Government in the wake of COVID19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process,” said a notification by Insolvency and Bankruptcy Board of India Sunday.

IBBI has issued a fresh regulation to amend the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which will come into effect from Sunday.

**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/news/economy/policy/lockdown-period-wont-be-counted-in-ibc-timeline-ibbi/articleshow/74878934.cms>

### **PSB mergers the new hurdle for resolutions under IBC**

The approaching deadline for the merger of small public sector banks with their larger counterparts is slowing down resolution of cases under the Insolvency and Bankruptcy Code (IBC). The deadline to complete the mergers is 1 April. While small state-run banks generally have limited influence in lender committees of large assets, in cases where they have a substantial say, key decisions on resolution are being postponed until the ongoing mergers are completed.

The approaching deadline for the merger of small public sector banks with their larger counterparts is slowing down resolution of cases under the Insolvency and Bankruptcy Code (IBC). The deadline to complete the mergers is 1 April. While small state-run banks generally have limited influence in lender committees of large assets, in cases where they have a substantial say, key decisions on resolution are being postponed until the ongoing mergers are completed.

**Source: Livemint News**

**Please find the full news at:**

<https://www.livemint.com/industry/banking/psb-mergers-the-new-hurdle-for-resolutions-under-ibc-11585330698459.html>

### **Sponsored briefing: Reverse corporate insolvency resolution process**

In December 2016, the Insolvency and Bankruptcy Code 2016 (I&B Code 2016) was introduced with the objective of rescuing a company in distress by maximising the value of its assets and promoting entrepreneurship, availability of credit and balancing the interest of all the stakeholders, including but not limited to shareholders, creditors, debtors, etc.

The Hon'ble Supreme Court in Swiss Ribbons Private Ltd & Anor v Union of India & Ors (2019 4 SCC 17) held that the I&B Code 2016 is a beneficial legislation which puts the company back on its feet, not being a mere recovery legislation for creditors. It bifurcates the interests of the company from that of its promoters/management with a primary focus to ensure revival and continuation of the company by protecting it from its own management and from death by liquidation.

**Source: IBC Guide**

**Please find the full news at:**

<http://www.ibcguide.com/sponsored-briefing-reverse-corporate-insolvency-resolution-process/>



Insolvency Professional Agency of Institute of Cost Accountants of India  
(A Section 8 Company incorporated under Companies Act 2013)  
CMA Bhawan, 3 Institutional Area, Lodi Road,  
New Delhi-110003