

Date: June 8, 2020

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



It's not about perfect. It's about effort.

Updates on Insolvency and Bankruptcy Code

'Likely blanket suspension of fresh cases under IBC may kill any chances of viable restructuring of assets'

As part of the stimulus package announcement, the Finance Minister has recently announced in connection with the Insolvency laws in India, that there would be a suspension of fresh cases under Insolvency and Bankruptcy Code, 2016 (Code) for six months and up to 1 year. The ordinance to this effect was passed on June 5, 2020, which notifies Section 10 A of the Code, suspending the enabling provisions under Section 7,9 and 10 of the Code that allows for the initiation of a fresh application by a financial creditor, operational creditor or the corporate debtor, respectively.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/likely-blanket-suspension-of-fresh-cases-under-ibc-may-kill-any-chances-of-viable-restructuring-of-assets/1983893/>

Need to Rethink Suspension of IBC to Adjust Equities

A debate is gathering steam about whether banks must not charge interest if they decide to provide a moratorium to a borrower, and whether the banks would in turn get a right to deny interest payable to depositors who are the source of the money they lend. In parallel, the President has promulgated an Ordinance to suspend the right to invoke the Insolvency and Bankruptcy Code, 2016 ("IBC") for defaults occurring after March 25, 2020 for a period of six months or such further period as may be notified.

Source: Bar and Bench

Please find the full news at:

<https://www.barandbench.com/columns/need-to-rethink-suspension-of-ibc-to-adjust-equities>

March 24 Notification on enhanced minimum threshold of Rs 1 crore for IBC proceedings prospective in nature: NCLT

The National Company Law Tribunal, Chennai Bench (NCLT) has held that the March 24 Notification issued by the Central Government on enhanced minimum threshold of Rs 1 crore for initiation on insolvency proceedings is prospective in nature.

Source: Bar and Bench

Please find the full news at:

<https://www.barandbench.com/news/litigation/march-24-notification-on-enhanced-minimum-threshold-of-rs-1-crore-for-ibc-proceedings-prospective-in-nature-nclt>

IBBI slaps Rs 34.22 lakh penalty on an Insolvency Professional

Insolvency regulator IBBI's Disciplinary Committee (DC) has slapped a penalty of Rs 34.22 lakhs on an insolvency professional, Mohan Lal Jain for violations of certain provisions of the Insolvency and Bankruptcy Code (IBC). The penalty imposed is equal to 25 per cent of the fee that he had received as resolution professional (RP) in the Corporate Insolvency Resolution Process (CIRP) of Mack Soft Tech Pvt Ltd.

Source: Hindu Business Line

Please find the full news at:

https://www.thehindubusinessline.com/money-and-banking/ibbi-slaps-rs-3422-lakh-penalty-on-an-insolvency-professional/article31740333.ece?utm_campaign=amp_article_share&utm_medium=referral&utm_source=whatsapp.com



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