

Date: April 8, 2020

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"It is not the strength of the body that counts, but the strength of the spirit."

Updates on Insolvency and Bankruptcy Code

Covid shadow hangs heavy over insolvency proceedings

The hiatus in insolvency proceedings could have an adverse impact on the valuations of already stressed assets and possibly lead to a further delay in finding a resolution. Lokesh Vasudevan, Partner, Brahmaya & Co, told BusinessLine, "The IBC has seen its ups and downs. With the current Covid-19 sensitivity, further delays on ongoing insolvency proceedings cannot be avoided.

The Insolvency and Bankruptcy Board of India (IBBI) notified Regulation 40C on March 29. The regulation specifies that the period of lockdown shall not be considered for the mandatory 330-day timeline under the IBC. These delays are force majeure situations, but will certainly have a significant impact on liquidation value and fair value of the stressed assets".

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/covid-shadow-hangs-heavy-over-insolvency-proceedings/>

NCLT asks litigants, stakeholders to file Joint Memo of Written Submissions to expedite virtual hearings

In order to expedite virtual hearings and dispensation of justice without any delay during the COVID-19 lockdown, the National Company Law Tribunal (NCLT) has made an appeal to litigants and stakeholders under Companies Act, 2013 and Insolvency and Bankruptcy Code, 2016 to file Joint Memo of Written Submissions.

The NCLT has stated that Memo will be a user-friendly document which will help in arriving at decisions quickly, and avoid filing of reply and rejoinder.

Source: Bar and Bench

Please find the full news at:

<https://www.barandbench.com/news/litigation/covid19-nclt-asks-litigants-stakeholders-to-file-joint-memo-of-written-submissions-to-expedite-virtual-hearings>

IIA raises concern over amendment in Insolvency and Bankruptcy Code, 2016

Corrigendum: please read the following in place of news carried in Au Courant dated 7th April, 2020

IIA elaborated that amending the minimum monetary limit of default from Rs 1 lakh to Rs 1 Crore and claiming it to have been done to protect MSMEs is abhorring. Fact of the matter is, Corporate and Government entities get protected to the extent the limit has been raised while the MSMEs have lost a strong leverage that could be used to make the powerful ones settle cases of amount due to MSMEs.

“This statement of FM and amendment has taken the MSMEs by surprise as we had never raised the issue. It seems the amendment has been basically done to please the large industries so that MSME cannot file cases in NCLT. MSME now shall have to wait till the debt becomes One Crore instead of One Lakh,” said IIA.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/iaa-raises-concern-over-amendment-in-insolvency-and-bankruptcy-code-2016/>



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