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# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



**I'm not telling you it is going to be easy, I'm telling you it's going to be worth it.**

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

### **Unpacking the IBC Code (Amendment)**

The finance minister on March 24, and thereafter on May 17, had announced that the Government of India intended to suspend the applicability of Section 7, 9 and 10 of the Insolvency and Bankruptcy Code, 2016 (Code). However, the text or language of Section 10A was not in the public domain, and there was uncertainty on how such suspension would affect the initiation of corporate insolvency resolution process (CIRP) under the Code.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/opinion/unpacking-the-ibc-code-amendment/1985351/>

### **Fear of flattening the business curve**

The Ordinance amending the Insolvency and Bankruptcy Code (IBC), and suspending the law for six months from June 5, was long overdue. Over the last two months during Covid-19 lockdown, commentators had suggested more nuanced amendments to IBC to address the pandemic's impact on businesses and the economy. Govt has, however, adopted a more binary route.

**Source: Economic Times**

**Please find the full news at:**

<https://economictimes.indiatimes.com/news/economy/policy/fear-of-flattening-the-business-curve/articleshow/76249430.cms>

## **Section 240A applies in a post-admission scenario and can't be considered as stage of admission: NCLT**

Section 240A of IBC, which stipulates that provisions of clauses (c) and (h) of section 29A shall not apply to resolution applicant in respect of corporate insolvency resolution process of any micro, small and medium enterprises, applies in a post-admission scenario and cannot be considered at stage of admission of CIRP petition; where corporate debtor was in default of a debt due and payable, CIRP petition filed by financial creditor under section 7 was admitted.

**Source: Taxmann**

**Please find the full news at:**

<https://ibc.taxmann.com/topstories/101010000000191281/section-240a-applies-in-a-post-admission-scenario-and-can%E2%80%99t-be-considered-as-stage-of-admission-nclt.aspx>

## **MSME NPAs to be a double whammy for small business sentiments; these added measures may get mojo back**

The revival of businesses and the resultant creation of employment, more particularly, saving jobs is as herculean a task, if not more than saving the country from Covid-19. The economy was already going downhill pre Covid - 19 but the situation further deteriorated with the outbreak of Covid 19. With the nearly 11 weeks of lockdown and near standstill of business/economic activity, already-stressed businesses are in a worse state with practically no liquidity.

**Source: Financial Express**

**Please find the full news at:**

<https://www.financialexpress.com/industry/sme/caf-sme/msme-eodb-msme-npas-to-be-a-double-whammy-for-small-business-sentiments-these-added-measures-may-get-mojo-back/1985719/>



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