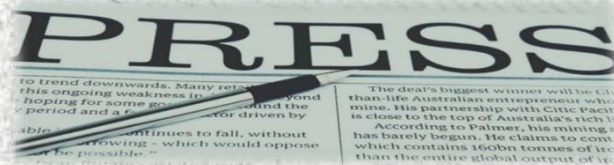


Date: May 21, 2020

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



"With confidence you have won before you have started."

Updates on Insolvency and Bankruptcy Code

RBI may soften restructuring norms after govt's IBC relaxation

The one year suspension for filing new cases under the Insolvency and Bankruptcy Code (IBC) and a default holiday for loans taken to deal with Covid 19 is likely to force RBI to soften its restructuring and provisioning norms to deal with stressed assets. Bankers said the blanket ban on new IBC entries leaves restructuring of loans as the only plausible route to cure default, but stringent RBI norms will have to be amended.

RBI's restructuring norms at present are heavily reliant on the IBC. Banks have 180 days to restructure loans by extending the payment period, number of instalments, reducing interest rates or sanctioning additional credit facilities.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/rbi-may-soften-restructuring-norms-after-govts-ibc-relaxation/>

Mumbai NCLT on its way to clear all pending scheme matters

The special bench of the National Company Law Tribunal (NCLT) Mumbai to hear the scheme matters including mergers, demergers and amalgamation of companies have disposed of majority of the cases through virtual hearings.

Speedy disposal of such scheme matters will help restructure companies for better efficiencies during the ongoing slowdown period. When the special bench had commenced hearing, about 350 cases were pending out of which over 200 have been disposed of already, and by the June end, all the pending cases are expected to be disposed of.

Source: IBC Guide

Please find the full news at:

<http://www.ibcguide.com/mumbai-nclt-on-its-way-to-clear-all-pending-scheme-matters/>

Letters to the Editor dated May 19, 2020

Since 1991, banks in India have been following international accounting standards, income recognition and capital adequacy norms. To strengthen their hands in recovering overdue loans, measures such as SARFAESI Act, 2002 and the Insolvency and Bankruptcy Code (IBC) were introduced subsequently, with good results.

The government has now imposed a 'Blanket one-year ban on fresh insolvency proceedings to be launched by banks, under IBC' (May 18), which is unexceptional, given the crisis situation faced by corporates, especially the MSMEs, thanks to the Covid-19 pandemic.

Source: Hindu Business Line

Please find the full news at:

<https://www.thehindubusinessline.com/opinion/letters/letters-to-the-editor/article31625894.ece>



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