

Insolvency and Bankruptcy Hotline

July 09, 2020

OPERATING WITHOUT A CODE: SUSPENSION OF IBC OKAY, BUT THERE'S SCOPE FOR FURTHER FINE-TUNING

This article was originally published in the 23rd June 2020 edition of

FINANCIAL EXPRESS

On June 5, an Ordinance was promulgated barring initiation of the corporate insolvency resolution process for defaults committed within six months (extendable up to one year) from March 25, 2020. The Ordinance states that no application can ever be filed in respect of such defaults, thereby, giving a permanent immunity to such defaulting companies under the Insolvency Code. Although it was important for the government to provide relief to businesses which have been severely impacted by the pandemic and continue to reel under the global crisis. However, there is a possibility for creditors to still take action against borrowers through other methods and means to recover their dues or prosecute the defaulting companies under other applicable laws or merely defer the requirement for payment beyond the exempted period.

Please click [here](#) for an article published in the Financial Express providing a detailed analysis of the Ordinance and its impact on various categories of creditors and borrowers.

– Arjun Gupta & Alipak Banerjee

You can direct your queries or comments to the authors

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Taxing Offshore Indirect Transfers in India

February 28, 2025

Unlocking Corporate Philanthropy

February 27, 2025

Digital Health in India

February 26, 2025

Research Articles

Joint Ventures

March 11, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Arbitration Amendment Bill 2024: A Few Suggestions | Legally Speaking With Tarun Nangia | NewsX

February 12, 2025

What India's Transition to New Data

**Protection Law Means for Global
Businesses**

January 23, 2025

**India 2025: The Emerging
Powerhouse for Private Equity and
M&A Deals**

January 16, 2025