

Cabinet nod to suspend IBC proceedings' initiation for 1 yr

“The proposal is to suspend sections 7,9 and 10 of the IBC for a period of 6 months with an enabling provision allowing for it to be extended upto 1 year,” said a government official.

The union Cabinet has approved a proposal to suspend initiation of bankruptcy proceedings against companies under the Insolvency and Bankruptcy Code (IBC) for a period of six months, which could be extended to one year, sources aware of developments said.

“The proposal is to suspend sections 7,9 and 10 of the IBC for a period of 6 months with an enabling provision allowing for it to be extended upto 1 year,” said a government official, adding that under the proposed ordinance, lenders and operational creditors would not be able to initiate insolvency proceedings against companies which default on obligations on or after March 25.

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