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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

India Code

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 5th June, 2020/*Jyaishtha 15,* 1942 (*Saka*)

THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ORDINANCE, 2020

No. 9 OF 2020

Promulgated by the President in the Seventy-first Year of the Republic of India.

An Ordinance further to amend the Insolvency and Bankruptcy Code, 2016.

WHEREAS the entire ecosystem for implementation of the Insolvency and Bankruptcy Code, 2016 is in place;

AND WHEREAS the provisions relating to corporate insolvency resolution process and liquidation process for corporate persons under the Code are in operation;

AND WHEREAS COVID-19 pandemic has impacted business, financial markets and economy all over the world, including India, and created uncertainty and stress for business for reasons beyond their control;

AND WHEREAS a nationwide lockdown is in force since

25th March, 2020 to combat the spread of COVID-19 which has added to disruption of normal business operations;

AND WHEREAS it is difficult to find adequate number of resolution applicants to rescue the corporate person who may default in discharge of their debt obligation;

AND WHEREAS it is considered expedient to suspend under sections 7, 9 and 10 of the Insolvency and Bankruptcy Code, 2016 to prevent corporate persons which are experiencing distress on account of unprecedented situation, being pushed into insolvency proceedings under the said Code for some time;

AND WHEREAS it is considered expedient to exclude the defaults arising on account of unprecedented situation for the purposes of insolvency proceeding under this code;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:-

Short title and commencement.

1. (1) This Ordinance may be called the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2020.

(2) It shall come into force at once.

Insertion of new section 10A.

2. After section 10 of the principle Act, the following section shall be inserted, namely:—

Suspension of initiation of corporate insolvency resolution process.

"10A. Notwithstanding anything contained in sections 7, 9 and 10, no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed, for any default arising on or after 25th March, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf:

Provided that no application shall ever be filed for initiation of corporate insolvency resolution process of a corporate debtor for the said default occurring during the said period.

Explanation.—For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply to any default committed under the said sections before 25th March, 2020."

Amendment of section 66.

3. In section 66 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:-

"(3) Nothwithstanding anything contained in this section, no application shall be filed by a resolution professional under sub-section (2), in respect of such default against which initiation of corporate insolvency resolution process is suspended as per section 10A."

RAM NATH KOVIND,
President.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.

IndiaCode

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