

IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India

PRESS

"The pain you feel today will be the strength you feel tomorrow."

Updates on Insolvency and Bankruptcy Code

➤ **NBFCs to be brought under IBC purview for faster resolution**

The centre is expected to notify rules under Section 227 of Insolvency and Bankruptcy Code which will allow the National Company Law Tribunal to order a resolution plan for non-banking finance companies (NBFCs) too. At present, under IBC, financial institutions cannot be taken for resolution to NCLT. A source in the government, who did not wish to be named, told The Indian Express, "The government is working to put in place regulations under the IBC to ensure resolution of stressed NBFCs and HFCs." Cases including that of DHFL are expected to gather pace once the section and rules are notified. The notification will allow existing consortium of lenders and the existing resolution professional to take the financial service provider or the NBFC to the NCLT and seek a resolution plan that is binding on all parties.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/nbfcs-to-be-brought-under-ibc-purview-for-faster-resolution/1758263/>

➤ **Could amend Act to affirm stance on Arbitration and Conciliation Act: Govt to SC**

The Centre on Thursday told the Supreme Court that Parliament can bring in an amendment to "clarify its real intention" if it finds that the apex court's decision does not reflect its original intention regarding certain provisions in the Arbitration and Conciliation Act 1996. The apex court, which reserved its judgment on the issue on Thursday, was hearing three petitions which alleged that Section 87 of the Act was in conflict with the Insolvency and Bankruptcy Code 2016.

Opposing various petitions, including one by Hindustan Construction Company (HCC), challenging the government's decision to bring in an amendment by inserting Section 87 in the Act, Attorney General KK Venugopal told a Bench led by Justice RF Nariman that there is no substance to the claim that the provision inserted by the 2019 Amendment Act was arbitrary as it created two classes. According to Venugopal, the insertion of Section 87 clarified the true intention of Parliament.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/economy/could-amend-act-to-affirm-stance-on-arbitration-and-conciliation-act-govt-to-sc/1758158/>

➤ **For claims, stress fund to get priority over other creditors**

The Centre's bail-out funding for stuck real estate projects through the AIF structure would place the fund ahead of other creditors in terms of claims, but the fund has to negotiate haircuts with existing investors before finalising its investments. The government Wednesday announced the creation of the dedicated fund to provide last-mile financing of Rs 25,000 crore for completion of on-going housing projects. These include those that have turned NPA and are facing bankruptcy proceedings, but not been liquidated. Under the waterfall mechanism, last-mile funding will be treated as priority. Prioritisation of claims is an important factor in the resolution process.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/services/property--construction/for-claims-stress-fund-to-get-priority-over-other-creditors/articleshow/71963965.cms>



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(A Section 8 Company incorporated under Companies Act 2013)

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