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Insolvency Professional Agency of Institute of Cost Accountants of India



"Innovation distinguishes between a leader and a follower."

Updates on Insolvency and Bankruptcy Code

Lenders agree to 40% haircut in Digjam resolution

Lenders have agreed to a resolution plan submitted by Mumbai-based non-banking finance company (NBFC) Finquest Financial Solutions to take over Kolkata-based SK Birla group-owned bankrupt textile company Digjam at a haircut of 40 per cent of total dues. Two lenders— UCO Bank and State Bank of India will receive the full amount of their admitted claims in a rare instance for banks in the new law, according to people directly involved in the negotiations. Digjam, a well-known suiting brand of yesteryears, was dragged to the bankruptcy court by an operational creditor called Oman Inc for claims worth Rs 21.74 lakh in 2018. The Ahmedabad bench of the National Company Law Tribunal (NCLT) admitted the petition in April 2019, following which the corporate insolvency resolution process (CIRP) was initiated.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/markets/stocks/news/lenders-agree-to-40-haircut-in-digjam-resolution/articleshow/74127201.cms>

Ex-directors of DHFL seek to be part of Committee of Creditors

The former directors of Dewan Housing Finance Corporation (DHFL) has approached the Mumbai bench of the National Company Law Tribunal (NCLT), Mumbai bench seeking its intervention to direct the administrator to be part of the meetings of Committee of Creditors (CoC) of the debt-laden NBFC, Maulik Vyas reports. On Wednesday, Kapil and Dheeraj Wadhawan had approached the tribunal with the arguments that they should be allowed to be part of the CoC meetings.

“The administrator of DHFL is not allowing us with the arguments that the board is not replaced like normal corporate insolvency resolution process (CIRP) but it was superseded by the Reserve Bank of India (RBI),” said senior counsel JJ Bhat who was appearing for the former directors of the company. The tribunal had admitted DHFL for insolvency resolution on December 2 and appointed R Subramaniakumar as the company’s administrator.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/ex-directors-of-dhfl-seek-to-be-part-of-committee-of-creditors/articleshow/74109382.cms>

Govt seeks additional 270 days to complete resolution for 105 IL&FS group companies

The government has approached the National Company Law Appellate Tribunal seeking additional 270 days to complete resolution process of 105 IL&FS group companies.

The Ministry of Corporate Affairs (MCA) has also requested the appellate tribunal to release 55 other entities from moratorium, so that they can discharge their debt obligations. Certain protection and reliefs were granted to the 55 entities through an order passed by the National Company Law Appellate Tribunal (NCLAT) on October 15, 2018. In addition to the 55 entities, the ministry has also asked the NCLAT to release nine companies from the scope and operation of the October 2018 order, according to an affidavit filed by the ministry with the appellate tribunal.

Source: Livemint News

Please find the full news at:

<https://www.livemint.com/companies/news/govt-seeks-additional-270-days-to-complete-resolution-for-105-il-fs-group-companies-11581446909375.html>



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