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Insolvency Professional Agency of Institute of Cost Accountants of India



PRESS

"Innovation distinguishes between a leader and follower."

Updates on Insolvency and Bankruptcy Code

DHFL creditors to meet on Monday for discussing resolution

The Reserve Bank of India-appointed administrator of the crippled Dewan Housing Finance Ltd (DHFL) called for a meeting of its creditors for the first time on Monday after the mortgage lender was admitted for insolvency proceedings. The third-largest pure play mortgage player is the first non-banking financial company or housing finance company to face the corporate insolvency resolution process.

The meeting on Monday will be attended by all creditors of the company including banks, bondholders, insurance and mutual fund companies. In its order on December 3, the NCLT asked the company's administrator to update the list of depositors, along with the amount payable to each of them. Following this, the administrator had reportedly asked all its fixed depositors and bondholders to file their claims by December 17.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/banking-finance/dhfl-creditors-to-meet-on-monday-for-discussing-resolution/1806699/>

Close to half of claims under IBC were settled in FY19: RBI

Around half of the claims under the Insolvency and Bankruptcy Code (IBC) were settled in 2018-19, the latest RBI report showed, helping banks recover stressed assets more quickly. As a percentage of claims, banks recovered on average 42.5% of the amount filed through the IBC in the financial year 2018-19, against 14.5% through the Sarfaesi resolution mechanism, 3.5% through Debt Recovery Tribunals and 5.3% through LokAdalats.

Against Rs 1.66 lakh crore claims involved under IBC, the recovery was Rs 70,819 crore. Through the Sarfaesi mechanism, it stood at Rs 41,876 crore. Recoveries through DRTs and Lok Adalats were Rs 10,575 crore and Rs 2,816 crore, respectively. Against Rs 1.66 lakh crore claims involved under IBC, the recovery was Rs 70,819 crore. Through the Sarfaesi mechanism, it stood at Rs 41,876 crore. Recoveries through DRTs and Lok Adalats were Rs 10,575 crore and Rs 2,816 crore, respectively.

Source: Economic Times

Please find the full news at:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/close-to-half-of-claims-under-ibc-were-settled-in-fy19-rbi/articleshow/73023705.cms>

Top 50 corporates reduced debt by Rs 59,600 crore in H1 FY20

Top 50 corporates in the country have reduced debt by Rs 59,600 crore in the first half of this fiscal as part of their strategy to deleverage their balance sheet, according to government sources. This has some bearing on the credit growth of the banks as corporates borrowing from domestic lenders has come down, the sources said. In the last financial year 2018-19, sources said, these companies had reduced their debt burden by about Rs 43,000 crore.

The companies are preferring to raise funds through alternative instruments like external commercial borrowing (ECB), which is available at a lower rate comparatively, the sources said, adding evolving legal framework, including Insolvency and Bankruptcy Code (IBC), is also prompting India Inc to reduce their dependence on debt.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/top-50-corporates-reduced-debt-by-rs-59600-crore-in-h1-fy20/1806797/>



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