

Benchmarks >

Nifty **CLOSED**
11,712.25 -12.50

NSE Gainer-Large Cap >

Bharat Forge
486.60 22.40

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Market Watch

Lenders take 57% haircut in 94 cases worth Rs 1.75 lakh crore

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MUMBAI: **Banks** have taken a huge 57 percent **haircut** in the 94 large accounts worth Rs 1.75 lakh crore which were resolved in FY19, recovering just Rs 75,000 crore or only 43 percent of the admitted claims, finds a report.

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The numbers assume importance as the **bankruptcy** law enters the third year this month.

As of March, there were 1,143 cases pending at various bankruptcy tribunals, and 32 percent of them are pending for over 270 days.

The average resolution timeline for these 94 cases resolved was 324 days as against the stipulated timeline of 270 days.

"Only 94 stressed with a total claim of Rs 1,75,000 crore by financial creditors were resolved in FY19 with a recovery of Rs 75,000 crore or 43 percent of the admitted claims under the insolvency process approved by the various national company law tribunals (NCLTs)," say a joint study by Crisil and industry lobby Assocham released Friday.

The report said had these 94 companies were liquidated, the recovery would have been just 22 percent which is significantly lower than the recovery rate through normal resolution process.

The report further said there are a few big-ticket accounts for which resolution has not been finalised for over 400 days as **IBC** framework is still a work in progress.

According to the study, some of the key issues that need to be addressed for successful implementation of IBC are adherence to timelines, adequate judicial infrastructure, creditor classification and prioritising, among others.

To maximise value and stakeholders' interest, the IBC framework for liquidation under a going concern basis needs to be explored further and should be followed in true spirit, the report said.

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