

Date: October 3, 2019

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

➤ Insolvency and Bankruptcy Code spurs M&A activity

Acquisition of distressed assets has gone up in India since the implementation of the Insolvency and Bankruptcy Code. According to a report by Bain & Company, these acquisitions have accounted for 70% growth in deal value in 2018, compared to a year ago. The period between January 2015 and April 2019 has seen seven large distressed assets acquisitions, amounting to \$23 billion (around Rs 1.62 lakh crore).

However, when compared with healthy assets the market response to acquisition of large distressed assets has been weak, the report said. Over a one-month period from announcement, deals involving distressed assets were received more favourably by markets than acquisitions of healthier assets.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/insolvency-and-bankruptcy-code-spurs-ma-activity/1724877/>

➤ IBBI turns three: Need to look at ways to prevent abuse, says government

The government is considering innovative options —including a minimum threshold to trigger insolvency against real estate developers — to ensure that the resolution framework is not abused by vested interests within the home-buyer community, corporate affairs secretary Injeti Srinivas said on Tuesday. The personal insolvency reg-ime would be fully operational in one year and the cross-border insolvency framework will be introduced in the winter session of Parliament, Srinivas said.

Acknowledging the delay, Srinivas highlighted the need to expedite cases that are pending for months. The average time taken for resolving a case is now 315 days, he said. However, the recent amendment to the IBC that mandates that all insolvency cases have to be resolved in 330 days, including the time spent on litigation, will expedite the resolution process, he added.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/ibbi-turns-three-need-to-look-at-ways-to-prevent-abuse-says-government/1723868/>

➤ **PSU banks put Rs 25,000 crore NPAs on sale**

Frustrated by delays in the resolution process under the insolvency law, a clutch of state-owned lenders sought to sell bad loans worth Rs 25,000 crore in the three months to September. Lenders have been losing money in cases awaiting a decision in the National Company Law Tribunal (NCLT) or the appellate tribunal or even in the Supreme Court with the process dragging on.

While it isn't as though Asset Reconstruction Companies (ARCs) are snapping up toxic assets, banks are nonetheless trying their luck. Disappointed with the CIRP (corporate insolvency resolution process), they are betting on sales via ARCs to recover their dues.

Source: Financial Express

Please find the full news at:

<https://www.financialexpress.com/industry/as-nclt-processes-drag-on-psbs-put-rs-25000-crore-npas-on-sale/1724922/>



Insolvency Professional Agency of Institute of Cost Accountants of India
(A Section 8 Company incorporated under Companies Act 2013)
CMA Bhawan, 3 Institutional Area, Lodi Road,
New Delhi-110003