

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



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*"Failure is the opportunity to begin again more intelligently." —Henry Ford*

## *Updates on Insolvency and Bankruptcy Code*

### ➤ Arun Jaitley's big message to defaulters: 'IBC instilling fear'

Potential loan defaulters have started paying up as the Insolvency and Bankruptcy Code (IBC) has instilled the fear of losing their businesses if they cross the red line and banks have started getting money even outside the National Company Law Tribunal (NCLT) system. As, creditors have recovered Rs 49,783 crore, or almost 56% of their admitted claims, from 32 stressed companies where insolvency resolution plans were approved by the NCLT by the end of June. The Insolvency and Bankruptcy Code (IBC) has performed much better than the earlier system where the recovery process was strenuous and yielded too little.

*Source: Financial Express*

Please find the full news at:

<https://www.financialexpress.com/economy/arun-jaitleys-big-message-to-defaulters-ibc-instilling-fear/1363934/>

### ➤ IBC impact: M&A deals worth \$14.3 billion signed in 2 years

India's Insolvency and Bankruptcy Code (IBC) has intensified activity in distressed merger and acquisitions (M&As) in India with deals worth \$14.3 billion completed in the past two years. Distressed M&A activity comprised a significant 12% of total M&A value, led by deals involving Bhushan Steel (\$7.4 billion), Reliance Communications (\$3.7 billion) and Fortis Healthcare (\$1.2 billion). Close to \$10 billion of these deals have been closed in 2018 alone.

*Source: Livemint*

Please find the full news at:

<https://www.livemint.com/Companies/c17rNOIV4h5i1zTnIUfEVN/IBC-impact-MA-deals-worth-143-billion-signed-in-2-years.html>

### ➤ Indian banks on top of situation over NPA problem:SBI Chairman Rajnish Kumar

The major challenge which the banks - public sector more and some of the private sector banks (in India) - they have been facing is the asset quality challenge. For the last three years, it has been going on but now Indian banks are now "on top of the situation" on the problem of the non-performing assets (NPA) as last year the system was struggling with higher and elevated NPAs and largely it was the steel and power sectors that got impacted the most.

*Source: Business- Standard*

Please find the full news at:

[https://www.business-standard.com/article/pti-stories/indian-banks-on-top-of-situation-over-npa-problem-sbi-chairman-rajnish-kumar-118102900300\\_1.html](https://www.business-standard.com/article/pti-stories/indian-banks-on-top-of-situation-over-npa-problem-sbi-chairman-rajnish-kumar-118102900300_1.html)

### ➤ Government expects recoveries to exceed Rs 1.80 lakh crore in FY19

Enthused by the impact of new insolvency and bankruptcy law, the government expects bad loan recoveries to exceed Rs 1.80 lakh crore target for the current financial year. Banks hopes to write back more than Rs 1 lakh crore alone from the resolution of 12 NPA cases referred to insolvency proceedings by the RBI in its first list. Also, banks recovered Rs 36,551 crore in the first quarter of 2018-19. During 2017-18, banks recovered Rs 74,562 crore.

*Source: Economic Times*

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/finance/government-expects-recoveries-to-exceed-rs-1-80-lakh-crore-in-fy19/articleshow/66401891.cms>

