

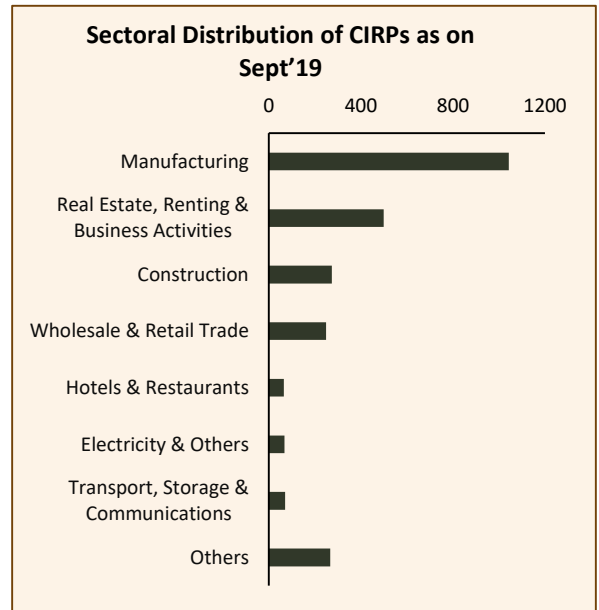
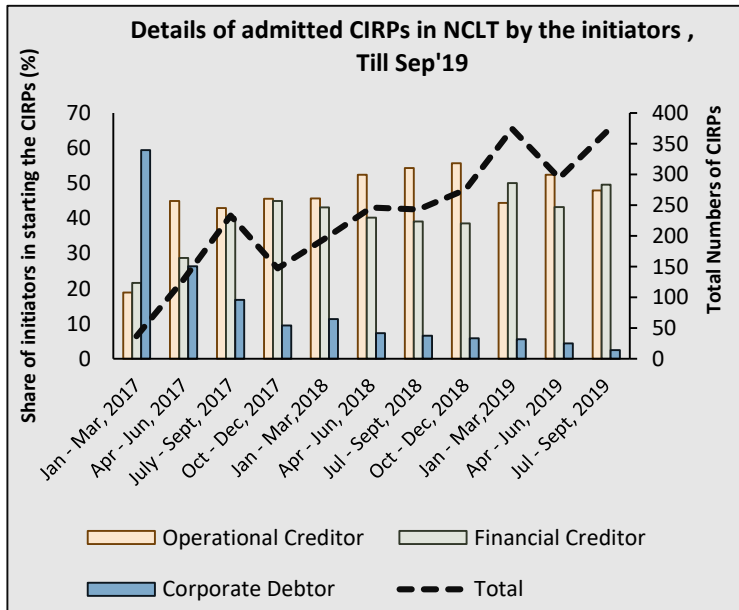
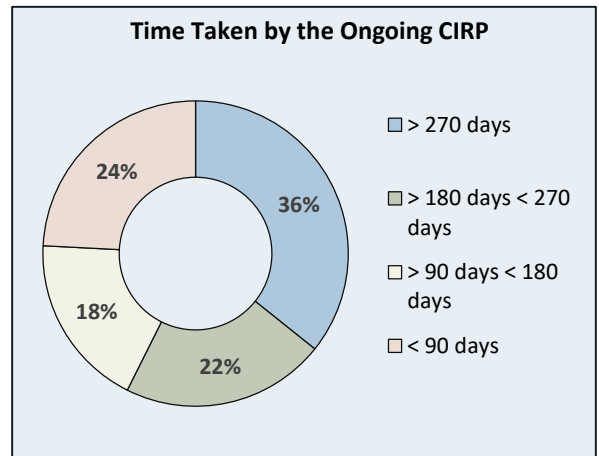
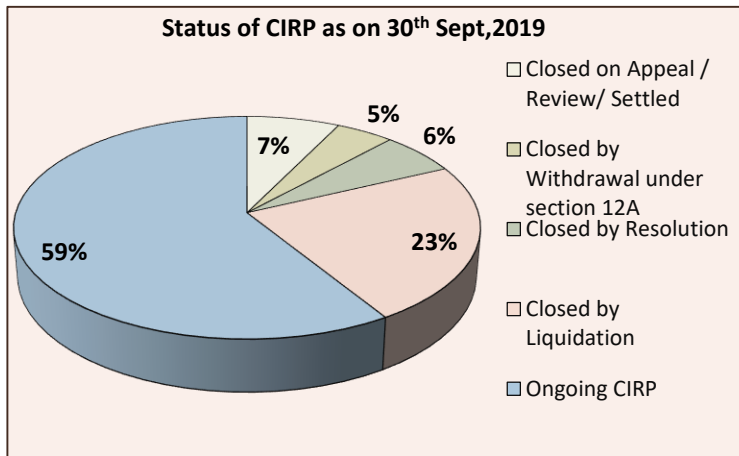
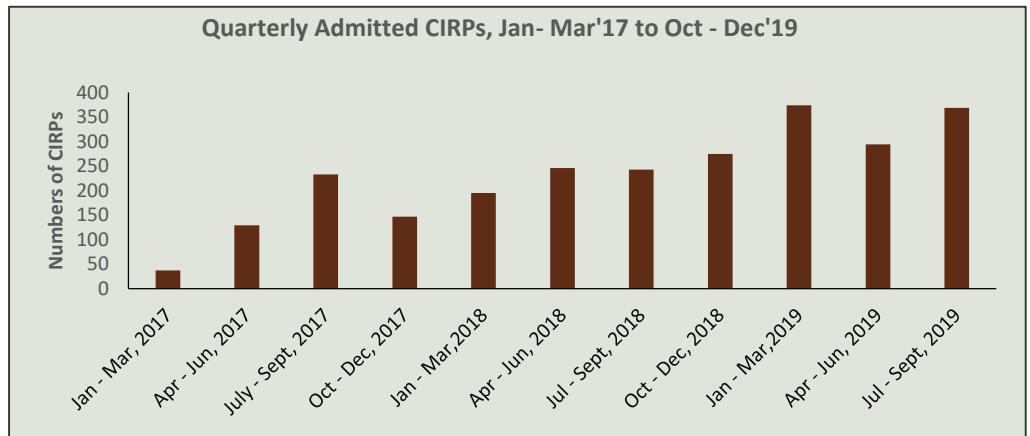
Insolvency and Recovery Situation in India in 2019

- The Insolvency and Bankruptcy Code (IBC) is the bankruptcy law of India which is designed to consolidate all the laws which are related to insolvency by creating a single law.
- IBC was passed by Lok Sabha on 5 May 2016 and the Code received the approval of the President of India on 28 May 2016. Based on the requirement, various rules have been updated and new steps have been added since then.

What is the current status of the Corporate Insolvency Resolution Processes (CIRPs)?

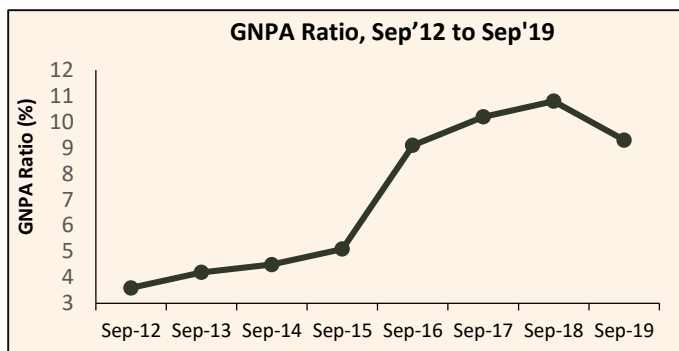
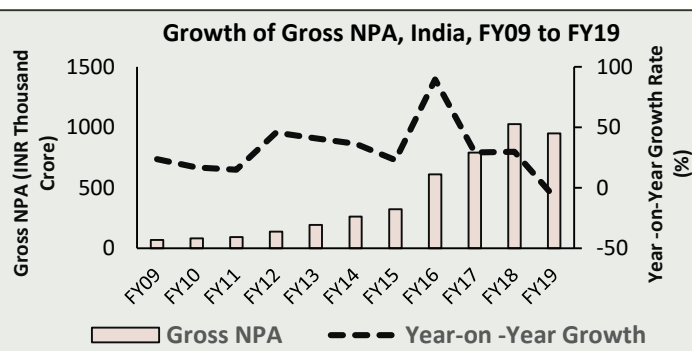
Total numbers of admitted Corporate Resolution Insolvency Process (CIRP) in NCLT till 30th September, 2019

2542

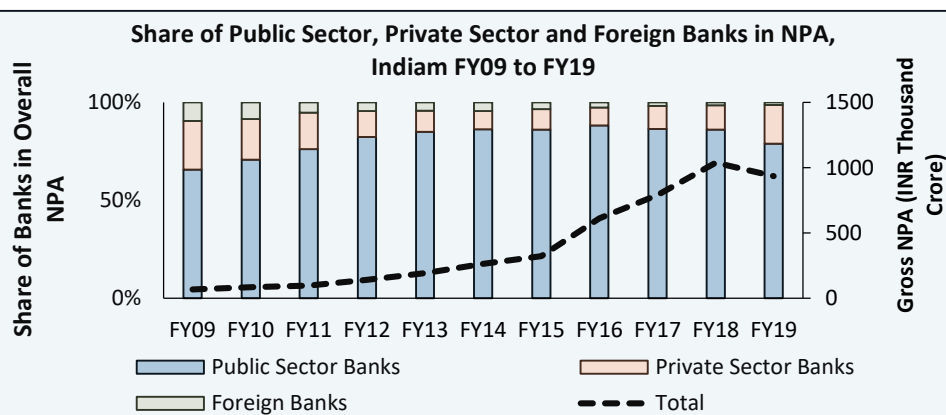


Status of Non-Performing Assets (NPAs) across the Economy

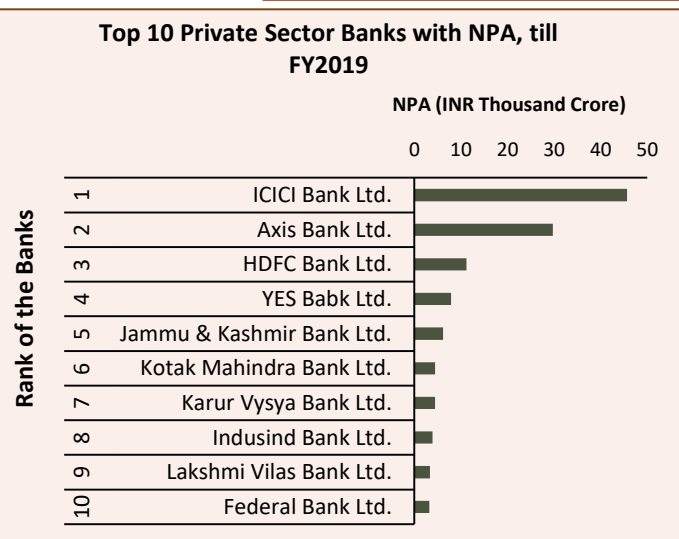
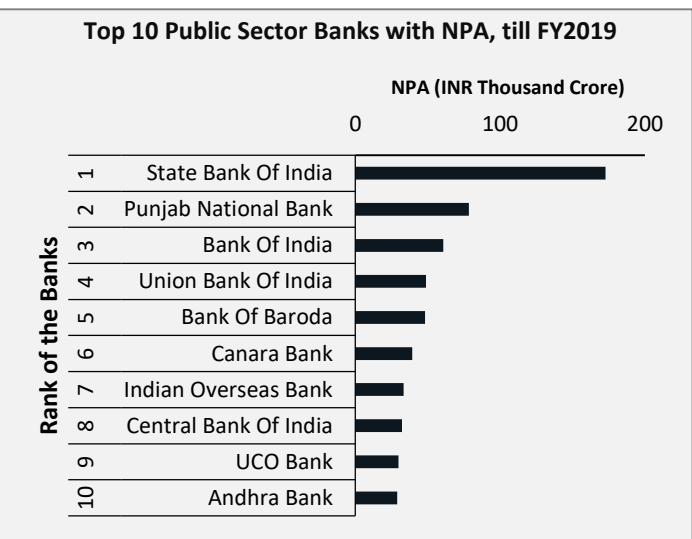
What has been the effect of the implementation of IBC on the NPAs in India till 2019?



- NPA or Non Performing Assets are true reflector of a lender's or debtor's stressed condition.
- Between FY09 to FY19, the NPA in the Indian economy has increased at a CAGR of **29.8%**. However the Year on Year (Y-o-Y) growth of it seems to be declined from **23.58%** to **-7.41%** during that same time period.
- The NPA is gradually falling due to the effective implementation of IBC across the country. The GNPA ratio (*Gross NPA Ratio is the ratio of total gross NPA to total advances or loans of the bank*) which touched the value of **10.8%** in Sept'18 has also decreased to **9.3%** in Sept'19.



- For the Public sector banks, the growth of NPA is the highest.
- Between FY09 to FY19, NPAs in the public sector banks have risen at a CAGR of **32.32%**
- For the private sector banks and foreign banks, the CAGR were **26.92%** and **6.63%** respectively between that said period.



- The NPA of the Indian economy has seen to be reduced after the successful implementation of IBC. The gross NPA which touched the value of **INR 10.25 Lakh Crore** in March'18 reduced to **INR 9.49 Lakh Crore** in March'19 and expected to be reduced to **INR 9.1 Lakh Crore** by the end of FY20.
- Hopefully, with the effective execution of the IBC, the NPA amount will gradually be more decreased in the coming years.



Status of the Resolved Cases

Dynamics of Resolved Cases as per Claim Size (Till Sep'19)

Range of Admitted Claims of Financial Creditors (INR)	No. of Cases	Claim of Financial Creditor (INR Crore)	Recovery to Financial Creditor (INR Crore)	% of Recovery
Less than 100 Crore	94	2771.1891	1345.573955	48.56%
Between 100.1 Crore to 500 Crore	23	4859.6799	1983.926419	40.82%
Between 500.1 Crore to 1000 Crore	9	6869.95	1994.353191	29.03%
Between 1000.1 Crore to 10,000 Crore	19	72041.91	21398.73451	29.70%
Between 10,000.1 Crore to 50,000 Crore	4	66318.91	17597.76834	26.54%
More than 50,000 Crore	1	56022.06	35568.40589	63.49%
Total	150	208883.70	79888.76	38.25%

Details About the Resolved Cases (Till Sep'19):

Total No. of Cases Resolved	150
Total Claim of Financial Creditors (INR Crores)	2,08,883.70
Amount Recovered by Financial Creditors (Rs. Crores)	79,886.76
% of Recovery to Financial Creditors	38.25%

Initiator of Resolved Cases Till Sep'19

Initiated by	Number of Cases	Claims of FC	Recovered Amount	% of Recovery for FC
Financial Creditor	79	190324.17	73761.10	38.76%
Operational Creditor	48	13348.48	4585.54	34.35%
Corporate Debtor	23	5211.05	1542.12	29.59%
Total	150	208883.70	79888.76	38.25%

Top 5 Highest Admitted Financial Claims by the Financial Creditors (Till Sep'19)

SL. No.	Company Name	Admission Date	Resolution Approval Date	Initiated By	Claims of FC (INR Crore)	Realisation of FCs (%)	Recovered Amount (INR Crore)
1	Bhushan Steel Limited	26-07-2017	15-05-2018	FC	56022.06	63.49%	35568.41
2	Alok Industries	18-07-2017	08-03-2019	FC	29523.86	17.11%	5051.53
3	Electrosteel Steels Limited	21-07-2017	17-04-2018	FC	13175.14	40.38%	5320.12
4	Amtek Auto Ltd.	24-07-2017	25-07-2018	FC	12605	34.38%	4333.60
5	Monnet Ispat & Energy Ltd.	18-07-2017	24-07-2018	FC	11014.91	26.26%	2892.52

Source: IBBI, Reserve Bank of India, LSI Research

