The Financial Express 4 August, 2017

'Banks may need 20% incremental provisioning'

PRESS TRUST OF INDIA
Mumbai, August 3

50 LARGE NPAs

BANKS MAY NEED to do an incremental provisioning of 20% for 50 large stressed accounts to absorb any losses, says a report. These 50 large accounts are from the sectors such as construction, power and metals, among others and constitute about half of the gross non-performing assets of the banking sector.

"Banks may require an incremental provisioning of 20% against cumulative debt of 50 large stressed assets worth over ₹4.3 lakh crore," says a joint report by Assocham and rating agency Crisil.

While banks may have already provisioned for a part of these exposures, they need to adequately capitalise to absorb such losses which could fuel credit growth and support the next leg of economic growth, the report said.

On the IBC, the report said there is a need to address various challenges such as inter-credit conflicts, ability of large corporates to delay the recovery process and burden on the National Company Law Tribunal (NCLT)/Debt Recovery Tribunal (DRT). "The success of the code hinges on strengthening its ecosystem, which will help in protecting the interest of stakeholders, instilling financial discipline among borrowers and create a robust platform to attract investors," it said.

The Hindu 4 August, 2017

'NPAs: Banks need more provisioning'

PRESS TRUST OF INDIA
MUMBAI

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The Statesman 4 August, 2017

Banks may need extra provisioning

IANS
NEW DELHI, 3 AUGUST

Banks may require an incremental provisioning of 20 per cent against cumulative debt totalling over Rs 4.3 lakh crore of the 50 large bad debts or stressed assets in construction, power, metals, and other sectors, a study released on Thursday said.

This constitutes about half of the gross Non-Performing Assets (NPAs) of the banking sector, the joint study by industry body Associated Chambers of Commerce and Industry of India and rating agency Crisil said.

The study noted that while banks may have already provisioned for a part of these exposures, they need to adequately capitalise to absorb such losses that could fuel credit growth and support the next leg of economic growth.

It said though the code is expected to face teething troubles before fully taking off, its stakeholders are expected to reap greater benefit in the long run.

The Pioneer 4 August, 2017

Banks may require 20% incremental provisioning for 50 large stressed accounts

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"Banks may require an incremental provisioning of 20 per cent against cumulative debt of 50 large stressed assets worth over ₹4.3 lakh crore," says a joint report by Assocham and rating agency Crisil.

While banks may have already provisioned for a part of these exposures, they need to adequately capitalise to absorb such losses which could fuel credit growth and support the next leg of economic growth, it said.

On Insolvency and Bankruptcy Code (IBC), the report said there is a need to address various challenges such as inter-credit conflicts, ability of large corporates to delay the recovery process and burden on the National Company Law Tribunal (NCLT)/Debt Recovery Tribunal (DRT). Roll-out of the ecosystem including adequate number of tribunals, insolvency professionals and information utilities, a limited timeline for the formulation of resolutions and access to the secondary market are needed in case of liquidation for successful implementation of the IBC, it said.

"The success of the code hinges on strengthening its ecosystem, which will help in protecting the interest of stakeholders, instilling financial discipline among borrowers and create a robust platform to attract investors," the report noted. It said though the IBC is expected to face teething troubles before fully taking off, its stakeholders are expected to reap greater benefit in the long run.

Along with banks and asset reconstruction companies (ARCs), the IBC will benefit corporates, professionals and employees, boost investor confidence, and facilitate deepening of the domestic corporate bond market, it added. **PTI**

The Free Press Journal (Mumbai) 4 August, 2017

Banks may need 20% incremental provisioning for stressed assets

• **AGENCIES**/New Delhi

Banks may require an incremental provisioning of 20 per cent against cumulative debt of 50 large stressed assets worth over Rs 4.3 lakh crore in construction, power, metals and other sectors that constitute about half of the gross non-performing assets of the banking sector, noted a recent joint study by ASSOCHAM-Crisil titled 'IBC – Protecting stakeholders, improving ease of doing business.'

The study also noted that while banks may have already provisioned for a part of these exposures, they need to adequately capitalise to absorb such losses which could fuel credit growth and support the next leg of economic growth, a report said.

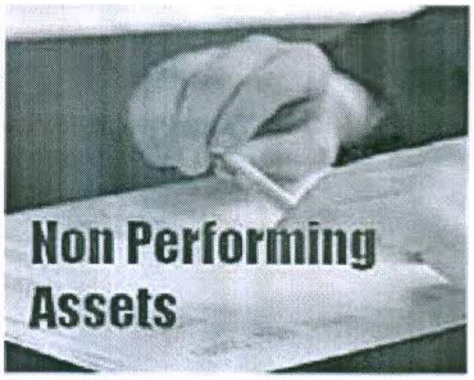
It also impressed upon the need to address various challenges such as inter-credit conflicts, ability of large corporates to delay the recovery process, burden on the National Company Law Tribunal (NCLT)/ Debt Recovery Tribunal (DRT), roll-out of the ecosystem including adequate number of tribunals, insolvency professionals and information utilities, a limited timeline for the formulation of resolutions and access to the secondary market in case of liquidation for successful implementation of the IBC. "The success of the code hinges on strengthening its ecosystem, which will help in protecting the interest of stakeholders," noted the ASSOCHAM-Crisil.

The Hans India (Hyderabad) 4 August, 2017

Banks need 20% incremental provisioning for 50 large NPAs

Mumbai (PTI): Banks may need to do an incremental provisioning of 20 per cent for 50 large stressed accounts to absorb any losses, says a report. These 50 large accounts are from the sectors such as construction, power and metals, among others and constitute about half of the gross non-performing assets of the banking sector. "Banks may require an incremental provisioning of 20 per cent against cumulative debt of 50 large stressed assets worth over Rs 4.3 lakh crore," says a joint report by Assocham and rating agency Crisil.

Cumulative debt of 50 large stressed assets worth over Rs 4.3 lakh crore. Other challenges include inter-credit conflicts, ability of large corporates to delay the recovery process



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