Why I was motivated to write an e-book on IBC 2016 ?

Being an ex-banker myself, I knew how difficult it is to recover the sticky advances. However, what was surprising to me ---was the huge quantum of such sticky advances. Following news item created a feeling of dejectedness in my mind. [9th April, 2018-- Indian Express]

1. Lending to the corporate sector, particularly small and medium enterprises, is becoming increasingly difficult with more than half the country's public sector banks (PSBs) now under the RBI's Prompt Corrective Action (PCA) framework, which restricts lending activities of the banks, government sources said.

2. At present, 11 weak PSBs out of the 21 State-owned banks are under the PCA, which kicks in when banks breach regulatory norms on issues such as minimum capital, amount of non-performing assets and return on assets. The RBI enforces these guidelines to ensure banks do not go bust and follow prompt measures to put their house in order.

3. The 11 banks already under the NPA framework are IDBI Bank, Bank of India, UCO Bank, Central Bank of India, Indian Overseas Bank, Oriental Bank of Commerce, Dena Bank, Bank of Maharashtra, United Bank of India, Corporation Bank and Allahabad Bank.

In fact **Mr. Viral Acharya--Deputy Governor** of Reserve Bank of India—seems to have anticipated this. He is on record to say this much on the side-lines of the Delhi Economic Conclave on 23rd July, 2017--Economic Times

" Cleaning of banks' balance sheet is the "No. 1 priority" for RBI "

Against this backdrop, I happened to read a news item which flashed the following message. Financial Express [28th October, 2018]

"Banks won't chase you any-more; you [borrowers] will have to chase banks,"

This statement ---coming as it did-- from none other than the Hon'ble Finance Minister--- made me read not only the particular news item but many such other news items.

The main message I got from the cursory reading of different articles-- was

" Once the action under the Code starts, it ensures that Creditors are in possession of the company as against the erstwhile regime which allowed the defaulter debtor to keep the possession of the assets / company and take the liberty of not paying the bank dues.

Before I end up this initial sharing of feeling with you, let me have the liberty of quoting key points from World Bank Group Flagship Report, Global Economic Prospects: Weak Investments in Uncertain Times, January, 2017--- IBBI Quarterly Jan-March 2017

Four key reforms in India were passed in 2016.

1. First a bankruptcy and insolvency code was enacted, making it easier to close falling businesses and recover debts.

2. Second--Rules governing FDI underwent sweeping liberalization, allowing for 100 per cent ownership in previously restricted sectors.

3. Third, the Goods and Services Tax [GST] Amendment Bill was passed.

4. Fourth--The Government and the Reserve Bank of India agreed on a monetary policy framework that includes setting up a monetary policy committee.

So I thought—as an ex banker I needed to know various provisions of IBC 2016 so as to get a glimpse of the same and to also know --how in reality it works.

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