

In the webinar initiated on 7th December, 2016, Imarticus Learning and Ernst & Young came together to reinforce the role of 'Asset Reconstruction and Compliance (ARC)' in light of changing industry dynamics. Distressed asset space in India is gaining traction on the back of deteriorating asset quality of Indian banks and regulatory push from RBI. Abizer Diwanji, Partner and National Leader, Financial Services along with Rahul Srivatsa Director – Restructuring Services from EY India conducted this online webinar session where over 142 users from the world of academia and industry were present. They discussed core issues like global slowdown, clearance issues, policy paralysis, environmental concerns and underdeveloped institutional equity market amongst others ensuing to significant increase in stressed assets. RBI Financial Stability report pegged GNPA + Restructured loans at 11.5% of total advances as at March 2016. As per E&Y, out of the BSE 500 companies, 96 companies have accounts that are tagged as “NPA” or are in the process of restructuring their loans, or are rated as “D.”

Talking about the recovery ratio, according to E&Y, Recovery ratio dipped to 51.3% in FY14 in spite of several regulatory measures introduced over the past several years. They stated that the recovery rate under SARFAESI which has averaged 34% over the last Decade, as compared to 32% under DRT and just 8% recovery rate under Lok Adalat is the reason behind the fall.

Along with the evolution of asset reconstruction industry in India, Mr. Diwanji and Mr. Srivatsa also discussed registration requirements for setting up an ARC. They discussed in detail the regulations impacting the ARC space in India.

According to E&Y, the industry fortunately has few key opportunities such as RBI initiatives, increase in minimum cash requirements which can recuperate the stressed assets situation. Towards the end of the webinar, they highlighted two major options which are Brownfield and Greenfield entry for entering the ARC space.

We ended this session with an interactive question and answer round with our participants. These participants posed several questions at Abizer and Rahul, who answered them all comprehensively, bringing an end to this webinar.

Imarticus Learning provides a range of industry-relevant classroom as well as online training programs to meet the skillset requirements of leading companies in the fields of Financial Services, Business Analytics and Leadership Development. To know more about either of these programs, send us an email at [info@imarticus.org](mailto:info@imarticus.org).