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80% MSMEs seek relaxations to fight 2nd wave of COVID

As second wave of the COVID-19 has disrupted businesses, markets and compliances, the MSMEs have sought extension of the deadlines in GST payment and return filing deadlines for the month of March, April, and May to June 30, 2021 without penalty.

This was revealed in an independent study conducted from April 21 to April 22 in which 2,370 startups, MSMEs, traders, and service providers located in 122 districts of India had participated. Retailers body, CAIT, has also demanded to defer 11 GST compliances and 15 compliances under the Income Tax Act by three months.

For More Details, Please Visit:

<https://www.financialexpress.com/industry/sme/80-msmes-startups-urge-fm-sitharaman-to-extend-gst-payment-return-filing-deadlines-without-penalty/2241340/>



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**For Internal Circulation Only*

**Knowledge SBU Initiative*

Citing 'longer payment cycles' due to COVID 2.0, MSMEs demand review of NPA classification norms

"Banking cannot be just excel-sheet based; the system ought to provide much needed flexibility to the banker so that these facts could be factored in," said Federation of Indian Micro, Small and Medium Enterprises (FISME) in its suggestions to the Union Finance Ministry which is holding consultations with various stakeholders to assess the impact of the second wave of COVID-19 on the businesses.

FISME, according to media reports, has argued that the framework to classify accounts under Special Mention Account (SMA) was devised for normal times which needs a through revision to deal with the challenges posed by the pandemic before businesses. As per the existing SMA norms, the accounts are classified as SMA-0 if principal and interest is overdue from 1 to 30 days; SMA-1 and SMA-2 if repayment is overdue from 31 to 60 days, and from 61 to 90 days, respectively. The ensuing businesses has adversely affected businesses due to which the payment cycles have become longer, and markets are disrupted said the industry body. The other demands of the FISME includes, legislation providing protection from prosecution due to non-compliance during the pandemic up to March 31, 2022. It has also asked the Union government to ensure that no MSME is shut to due to the compliance related rigidity during the COVID period.

For More Details, Please Visit:

https://www.business-standard.com/article/economy-policy/msmes-urge-fm-nirmala-sitharaman-to-review-npa-classification-norms-121042701411_1.html

News Roundup

NBCC offers 1,903 Acres Land to Creditors in revised Resolution Plan to take over Jaypee Infratech

NBCC has increased its offer from earlier 1,526 acres to 1,903 acre land parcels to the Committee of Creditors (CoC) to acquire Jaypee Infratech through the insolvency process in Noida and Greater Noida. The proposal will now go for voting in the CoC comprising representatives of 13 banks and around 21,000 homebuyers. This is the fourth round of bidding for Jaypee Infratech under Corporate Insolvency Resolution Process (CIRP) of the IBC.

Besides, in the revised Resolution Plan, NBCC has offered 82% of equity in the Yamuna Expressway to the CoC and retain 18% with it while in 2019 Resolution Plan it had offered 100% equity to the creditors.

For More Details, Please Visit:

<http://www.businessworld.in/article/Jaypee-Infratech-Insolvency-NBCC-Sweetens-Bid-To-Offer-Up-To-1-903-Acres-Land-To-Lenders/30-04-2021-388169/>

Vijay Mallya's lawyer invokes 'Public Fund' and lack of 'Cross-Border Insolvency Law' in India to dismiss Rs 11,000 crore bankruptcy case in the UK Court

During the hearing of the matter on April 24, Vijay Mallya's counsel Philip Marshall QC, argued before the Insolvency and Companies Court that under Indian law the banks would not be allowed to give up their security over Mallya's Indian property, in the event a bankruptcy order is made in the UK, as the money he owes was public money lent by nationalized banks. He also sought the lack of Cross Border Insolvency in the IBC to dismiss the case. "There is no legislation to enable recognition of an English bankruptcy trustee in India so how can a trustee work effectively to get at the security located in India if it cannot be released?" he added.

For More Details, Please Visit:

<https://timesofindia.indiatimes.com/business/india-business/vijay-mallya-says-money-he-owes-indian-banks-is-public-money-so-he-cannot-be-made-bankrupt/articleshow/82222346.cms>

Wirecard subsidiary in Vietnam sold through insolvency

"Despite the challenging circumstances of the international sales processes amidst a pandemic, we succeeded in preserving another Wirecard subsidiary in Asia as going concern and secured the sale of the shareholding in the best interest of the creditors," summarized the insolvency administrator Dr Michael Jaffé after the most recent successful sale. Wirecard Singapore Pte. Ltd., the subsidiary of Wirecard Sales International Holding GmbH divests its shareholding in Wirecard (Vietnam) Company Limited to South Korean credit card company BC Card Co., Ltd. The transaction is still subject to certain conditions, in particular, approval by the local merger control authority.

For More Details, Please Visit: <https://www.taiwannews.com.tw/en/news/4190889>



COVID 2.0 causes delay in CIRP cases as judiciary hit across country

Highly infectious second wave of the COVID has adversely affected the functioning of judiciary right from NCLT and NCLAT to High Courts and also the Supreme Court. The increasing number of cases among the judges and legal fraternity has crippled the legal fraternity across ranks causing delays in CIRP cases.

According to media, a judge of NCLT Delhi had died due to COVID infection. The insolvency lawyers said to media that only urgent cases from 20 April, said insolvency lawyers. It is pertinent to mention that NCLT had resumed regular hearing from March 25.

"While the suspension has been lifted, the judicial forum where one could have gone to have those issues addressed is overcome by the pandemic," said an insolvency lawyer associated with a law firm. "Therefore, for all practical purposes, there is no longer a prohibition on new insolvency petitions, but few cases are being heard," he added.

"Further, financial institutions will not take all borrowers to the IBC unless they see that the process will result in value maximization," said representative of another law firm.

For More Details, Please Visit:

<https://www.livemint.com/industry/banking/insolvency-cases-face-delays-as-covid-spikes-11619372333190.html>

Event Photos



IIPI's launches 4th Batch of 'Executive Development Program' from 8th May

Indian Institute of Insolvency Professionals of ICAI (IIPI) has launched the 4th batch of its flagship 'Executive Development Program' from 8th May to 12th May 2021.

The program will have 20 CPE hours and the participants will be provided study material in advance. It constitutes Managerial Know How, Regulatory Framework, Inter-Disciplinary Approach, Developing Soft Skills and Practical Exposure via Case Studies.

The first Batch (online) of the EDP (7th – 11th October 2020) was launched on October 7, 2020 with title 'Executive Development Program on Managing Corporate Debtors as Going Concern as CIRP (For IPs)'. It has become one of the most sought-after programs among the IPs from throughout the country.

For More Details, Please Visit:

<https://www.iiipicai.in/wp-content/uploads/2021/04/EDP-4th-Batch-1.pdf>



A snapshot of 43rd Batch Pre-Registration Education Course (PREC) Online on April 30