



**INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI**

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# IIPI Newsletter

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## Retail and Wholesale Trade get status of MSMEs

"Now under the revised guidelines, retail and wholesale trade will also benefit from priority sector lending under RBI guidelines," said Shri Nitin Gadkari, Union Ministry for MSMEs.

Welcoming the decision, the Retailers Association of India (RAI) said that this will give retail micro, small and medium enterprises (MSMEs) the support they need to survive, revive, and thrive. This amendment will enable the pandemic-affected traders to get benefits of various government schemes and finances which were earlier denied to them.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/economy/policy/industry-welcomes-govt-decision-of-including-retail-wholesale-trade-under-msmes/articleshow/84073896.cms>

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## News Update

### Central Govt. approves ₹ 6.29 lakh COVID Relief Package

Union Cabinet on July 01 approved ₹6.29 lakh Covid relief package to bring the economy on track. The package was announced by Union Finance Minister Ms. Nirmala Sitharaman on June 29.

In the package, there is special allocation of ₹1.5 lakh crore for MSMEs. Besides, tourism, job creation, free visa for foreign tourists, healthcare, etc. are the focus in the package. Together with previously announced ₹93,869-crore spending on providing free food grains to the poor till November and additional ₹14,775 crore fertilizer subsidies, the stimulus package, which is mostly made up of government guarantee to banks and microfinance institutions for loans extended to COVID-19-hit sectors, totaled up to ₹6.29 lakh crore.

The finance minister provided ₹ 23,220 crore of additional funding to set up children and paediatric care at hospitals to prepare healthcare infrastructure to deal with any emergency arising due to COVID-19 wave hitting children. Further, to incentivise job creation, the government committed to paying the employer and employee's share to provident fund (PF) for all new recruitments done till March 2022. Previously, the government paid ₹ 902 crore for 21.42 lakh beneficiaries of 79,577 establishments.

**For More Details, Please Visit:**

<https://www.ndtv.com/india-news/cabinet-approves-rs-6-29-lakh-crore-covid-19-relief-package-announced-by-finance-minister-2476444>

## News Roundup

### **IBC being a self contained code, High Courts should refrain from interfering with CIRP: Kerala HC**

The petitioners, who are operational creditors of the Corporate Debtor, had invoked Article 226 of the Constitution of India to challenge an approved Resolution Plan.

Earlier, the petitioners were provided relief in the form of stay order but finally the Court dismissed the petition. Citing previous judgement of the Supreme Court and Kerala High Court, Justice V.G. Arun concluded that the IBC, 2016 being a self-contained Code, the High Courts should refrain from interfering with the resolution process.

#### **For More Details, Please Visit:**

<https://www.taxscan.in/high-courts-to-refrain-from-interfering-with-corporate-insolvency-resolution-process-as-ibc-is-self-contained-code-kerala-hc/121368/>

### **NCLT orders liquidation of fugitive Mehul Choksi's Company Nakshatra World**

The order came on a petition of ICICI Bank. Nakshatra World, a jeweler design distribution firm, was going through an insolvency resolution process since January 2019.

Two other group companies including Gitanjali Gems and Nakshatra Brands are also pending with the same bench as the Committee of Creditors has filed applications for liquidating them. A consortium of 31 banks has filed claims for ₹ 5,280 crore on the Gitanjali group of companies. In January 2018, the CBI, on complaint of PNB, had unearthed a fraud of around ₹ 14,357 crore allegedly perpetrated Choksi and his nephew Nirav Modi.

#### **For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/india/nclt-orders-wind-up-nakshatra-world-a-mehul-choksi-companies/articleshow/83925339.cms>

### **Banks to face the prospect of a rise in NPAs, particularly in SME and retail portfolios: RBI**

“While banks’ exposures to better rated large borrowers are declining, there are incipient signs of stress in the micro, small and medium enterprises (MSMEs) and retail segments,” said RBI’s latest Financial Stability Report (FSR).

The FSR underscored that the demand for consumer credit across banks and non-banking financial companies (NBFCs) has dampened, with some deterioration in the risk profile of retail borrowers becoming evident. The RBI has suggested the banks to use favourable market conditions to shore up capital position.

#### **For More Details, Please Visit:**

<https://www.thehindubusinessline.com/money-and-banking/msme-retail-npas-may-rise-as-relief-measures-get-wound-down/article35084911.ece>



### **IIPI Study Group Working on “Code of Ethic” for IPs: The Economic Times**

IIPI have constituted study groups on four matters of contemporary topics on enhancing the role of small-sized IPs, response of insolvency regime to Covid, clarifying roles of IPs in respect of prepack framework for MSMEs, and creating code of ethics for our professional members, reported The Economic Times on June 28, 2021. “The reports of these study groups are in different stages of finalisation and may take a month or so to complete,” it added.

#### **For More Details, Please Visit:**

<https://economictimes.indiatimes.com/news/economy/policy/covid-effect-a-four-point-plan-likely-for-bankruptcy-professionals/articleshow/83892982.cms>

### **NCLT resumes regular hearing in all benches from July**

National Company Law Tribunal (NCLT) passed as order on June 25 to start regular hearing in NCLT Benches throughout the country w.e.f. 1.07.2021 through Video Conference on all working days. The regular hearings were stopped due to the problems caused by the Covid pandemic.

#### **For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/leqalframework/ac543006840abd6a5bc2a21849507cc5.pdf>