"Be brave to stand for what you believe in even if you stand alone." Roy T. Bennett

INTERNATIONAL AND BILATERAL

MINISTRY OF CORPORATE AFFAIRS IS PLANNING FOR A CROSS-BORDER INSOLVENCY FRAMEWORK

The Ministry of Corporate Affairs (MCA) is planning to introduce a globally accepted and well-recognized cross-border insolvency framework, fine-tuned to suit the needs of aspirational Indian economy.

The Government has taken initiative for Cross-Border Insolvency within the Insolvency & Bankruptcy Code, 2016 (the Code) to provide a comprehensive legal framework.

REQUIREMENT:

As the size of the Indian economy grows, business and trade have adopted an increasingly international character. Creditors and corporate frequently transact business in more than one jurisdiction. Foreign banks and creditors finance Indian companies and Indian banks have foreign exposure. Also, as part of its Ease of Doing Business and Make in India policies, India seeks to attract foreign companies to set up manufacturing facilities in India.

Besides, global experience demonstrates that cross-border investment decisions and their outcomes are considerably affected by the insolvency laws in force in a country. Towards this end, even though the Insolvency and Bankruptcy Code, 2016 has resulted in significant improvement in India's insolvency regime, there is a need to include cross-border insolvency in the Code to provide a comprehensive insolvency framework.

PROS:

Inclusion of cross-border insolvency framework will further enhance ease of doing business, provide a mechanism of cooperation between India and other countries in the area of insolvency resolution, and protect creditors in the global scenario.

Also, it will make India an attractive investment destination for foreign creditors given the increased predictability and certainty of the insolvency framework.

On the global scale, the UNCITRAL (United Nations Commission on International Trade Law) Model Law on Cross-Border Insolvency, 1997 (Model Law) has emerged as the most widely accepted legal framework to deal with cross-border insolvency issues while ensuring the least intrusion into the country's domestic insolvency law. Due to the growing prevalence of multinational insolvencies, the Model Law has been adopted by 44 States till date, including Singapore, UK and US.

'WOMEN WIZARDS RULE TECH' PROGRAMMES

'WOMEN WIZARDS RULE TECH' PROGRAMMES is a programme for women techies unveiled by NASSCOM. It aims to increase the number of women in senior levels in the Information Technology (IT) industry.

The Women Wizards Rule Tech was announced in March at the NASSCOM Diversity and Inclusion Summit in Chennai as a joint initiative by the NASSCOM Sector Skills Council and the Data Security Council of India.

The **programme is designed to support women who are moving up the career ladder, while also paving the way for potential leaders of the future.**

The initiative will aid women techies in core technologies like IT-Information Technology Enabled Services (ITES), Business Process Management (BPM), product and research and development (R&D) sectors by equipping them with the skills required for an edge in their career.

NASSCOM: The National Association of Software and Services Companies (NASSCOM) is a trade association of Indian Information Technology (IT) and Business Process Outsourcing (BPO) industry.

Established in 1988, NASSCOM is a non-profit organization.

PARIWARTAN SCHEME

Stressed projects have drawn bids for around Rs 1-2 crore per MW under the insolvency and

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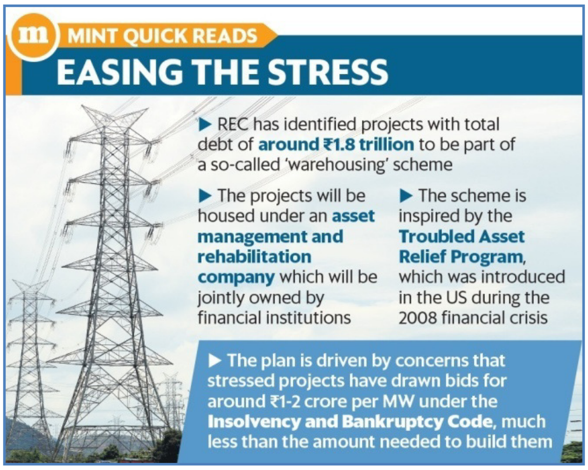
bankruptcy code, a fraction of the Rs 5 crore per MW needed to build them.

Issues faced by the stressed projects include a paucity of funds, lack of power purchase agreements and fuel shortages.



PARIWARTAN:

The government plans to warehouse stressed power projects totaling 25,000 MW under an asset management firm to protect the value of the assets (Similar to SAMADHAN Scheme)

This will prevent their distress sale under the insolvency and bankruptcy code until the demand for power picks up.

State-run Rural Electrification Corp. Ltd (REC) has identified projects with a total debt of around Rs 1.8 trillion as part of the scheme, which is under government consideration

It has been tentatively named **Power Asset Revival through Warehousing and Rehabilitation, or 'PARIWARTAN'.**

The **'PARIWARTAN' scheme is inspired by the Troubled Asset Relief Programme, or TARP,** which was introduced in the US during the 2008 financial crisis.

The proposed plan also aims to stem the rise in bad loans in the power sector.

These stressed power projects will be housed under an asset management and rehabilitation company (AMRC) that will be owned by financial institutions.

While the promoter's equity will be reduced to facilitate a transfer of management control to the financial institutions, the lenders will convert their debt into equity.

The AMRC will manage the projects and may ask utilities such as NTPC Ltd to operate and maintain them. The AMRC will charge a fee and help complete projects that are stranded for lack of funds.

These projects will be transferred to the AMRC at net book value, wherein it will own a 51% stake in the projects and the balance 49% will be held by the lenders," said the government official cited above.

Scheme of Asset Management and Debt Change Structure (SAMADHAN):

Under SAMADHAN, the bankers' consortium shortlisted 11 power plants with an overall capacity of over 12 gig watts, which are either complete or nearing completion.

The debt order will be reduced to a manageable level and converted into equities which are held by banks.

SENATE PASSES SANCTIONS ACT WITH ANY WAIVER PROVISION

The U.S. Senate has ignored the Donald Trump administration's request for inclusion of waiver provisions for India in the Countering America's Adversaries through Sanctions Act (CAATSA).

The CAATSA act requires the Congress to impose sanctions on countries that have "significant" defence relations with Russia.

The Senate version of the National Defence Authorization Act (NDAA) for 2019 was passed has no waiver provisions.

The actual passes version of the NDAA 2019 had provisions for waiver.

The NDAA 2019 provision for waiver is inadequate to address India's defence purchases requirements with Russia.

India is currently engaged in defence relation with Russia.

The provision allows for waivers for 180 days provided the administration certifies that the country in question is scaling back its ties with Russia.

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