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1. **POLICY INITIATIVES TO SHAPE INDIA INTO GLOBAL MANUFACTURING HUB**

Disruption in the global supply chain has opened up opportunities for large-scale manufacturing in India, aided by significant policy initiatives such as production-linked-incentive (PLI) schemes and low corporate tax rates for new manufacturing, among others. Structural issues like cost of land and electricity, lack of adequate infrastructure and shortage of skilled manpower could play the spoilsport if not addressed on time, says industry. "MNCs that manage supply networks have acknowledged the necessity to hedge against future events and have decided to geographically disperse their supply chains. As a result, India has reaped significant benefits," NITI Aayog CEO Amitabh Kant said. The government has unveiled a \$27 billion worth of PLI scheme for 13 sectors to help integrate Indian companies into the global value chains and tap into the opportunity. The PM Gati Shakti - National Master Plan (NMP) which brings together 16 ministries to enable integrated planning and coordinated implementation of infrastructural connectivity, is expected to lower logistics costs significantly. The corporate tax rate for new manufacturing has been reduced to 15%. "There couldn't have been a better time for the government to announce various schemes which will act as enablers to create a viable eco-system for companies to invest in advanced technologies in India," Rajesh Menon, director-general of the Society of Indian Automobile Manufacturers said. "Auto industry in India is also poised to become a major player in the global supply chain and these schemes would provide the necessary impetus in this regard," Menon added. The MSME sector has also gained in strength and seems in a position to support big investment. "MSMEs have seen a remarkable improvement in access to finance and power and significant improvement in ease of doing business with introduction of GST," Anil Bhardwaj, secretary-general of the Federation of Indian Micro and Small & Medium Enterprises said. Vikram Kirloskar, chairman (manufacturing council), the Confederation of Indian Industry, feels it is time for the industry to step up. "Government measures can give you added incentive but it is upon manufacturers to improve upon scale and quality." The government and businesses see the opportunity but acknowledge the need for improvement in the enabling framework. "In the medium term to long term, India will have to address its structural issues," Kant said. In the short term, he believes it is extremely important to enhance ease of doing business in manufacturing.

(Source: The Economic Times)

2. **'INCENTIVE POLICY' FOR 1ST 2K POWERLOOMS TO BE SET UP IN STATE FROM JANUARY 1**

Kolkata: The state Micro Small & Medium Enterprises (MSME) department has come out with the 'Powerloom Incentive Policy' with an aim to extend fiscal incentives for installation of new-age shuttleless powerlooms by MSMEs in textile sector with a view to boost production of the improved quality fabrics and to create a sustainable ecosystem for MSMEs in textile sector. "The first 2000 powerlooms which will be set up in the state beginning from January 1, 2022 will get the benefits of the incentive policy. Those who will be interested to produce fabric (cloth) abiding government norms will be provided with thread by Tantuja which will purchase the fabric from the producers," Chandranath Sinha, Minister in charge of state MSME & Textiles department said addressing at the 120th annual general meeting of MCCI. The MSMEs in the powerloom sector have to execute a four-party agreement between the enterprise, Tantuja, Directorate of Textiles & Financial institution (bank). The terms and conditions as a part of this agreement will be prescribed by the state MSME in due course of implementation of the scheme. The units may be in the private sector, cooperative sector and joint sector undertaking as also companies/undertakings owned and managed by the state government and the Industrial SHGs. Facilities of bank loans will be available and under the scheme 20 percent financial assistance of the capital amount will be provided by the state government for purchasing the powerloom. Sinha said that in a bid to make the state self-reliant in fabric production, the state government has taken steps to set up some integrated textile parks, one of which is coming up at Kalyani in Nadia on 43 acres of land. The basic infrastructure of roads, water and electricity in these parks will be provided by the government. "The main aim of the government is to produce self dependent garment production, particularly school uniforms for children. A number of powerloom co-operative and readymade garments co-operatives are being set up. Tantuja has already signed an agreement with 20 entrepreneurs regarding fabric production for school uniforms. More such entrepreneurs will be on board in the next few days, " he added. State Industry & IT minister Partha Chatterjee who addressed the meeting virtually said that the government is focused on developing the industrial sector in Bengal and asked for greater cooperation from associations and chambers in this regard.

(Source: Millenium Post)

3. MINISTRY PROPOSES FIXED TIMELINE FOR NCLT, EXTENDED LOOK-BACK PERIOD IN IBC

In a move to plug gaps in the Insolvency and Bankruptcy Code (IBC), the [Ministry of Corporate affairs \(MCA\)](#) has proposed robust norms against avoidance transactions, wrongful trading, and inordinate delays via changes to look-back period and fixed timelines for the tribunals to reject or approve plans, among other measures. The MCA has proposed that the IBC should provide the adjudicating authority with 30 days for approving or rejecting a resolution plan under Section 31. If a decision is not made on the resolution plan within that period, the adjudicating authority will record reasons in writing for the same, the ministry has proposed. The government has sought public comments on the proposal by January 13. The Centre is of the view that delays erode the value of the corporate debtor and disincentivise potential resolution applicants from participating in the process. "Such delays go against the objective of the Code to provide value maximising outcomes for stakeholders," the MCA said. The two-year look-back period - which starts from the date of the admission of the insolvency application is suggested to be extended to the date when the corporate insolvency resolution application is filed. Experts said this move would help ensure that no one takes advantage of the timelines prescribed in the IBC. "The resolution professional's rights were curtailed in approaching the NCLT,

despite clear evidence of wrongdoing and manipulation because the look-back period was shorter. The government must have realised this needed to be fixed,” said Manoj Kumar, partner, Corporate Professionals. The look-back period refers to the time that a resolution professional, following the NCLT’s permission, can investigate for any fraudulent transaction or wrongdoing. The MCA has also proposed that a voluntary liquidation need not require the nod of adjudicating authority. Instead, this could be done by a special resolution or members’ resolution, and approval of creditors representing two-thirds in value of the debt. “The liquidator may be required to make a public announcement of the closure of the process, and intimate concerned authorities, such as the Insolvency and Bankruptcy Board of India (IBBI) and the registrar.” “While voluntary liquidation matters could be closed in one or two hearings, they are not a priority of the tribunals. It could take from several months to a couple of years for a voluntary liquidation to be approved,” said Anshul Jain, partner, PwC India. As for avoidance transactions, the ministry has suggested that an explanation may be added to the Code to clarify that proceedings for avoidance of transactions and wrongful trading can continue even after the approval of a resolution plan. “Various aspects of the process need to be closed within a fixed timeline to prevent corporate debtors or perpetrators from exploiting the purpose of the IBC regulations. The learning from the cases gone into the IBC is that there is a need for financial institutions to improve funding mechanisms for companies not showing obvious signs of distress,” said Srinivasa Rao, partner & leader – Risk Advisory Services, Nangia Andersen. In another step that can pave the way for automatic admissions, the ministry has said that financial creditors may be required to submit only information utility (IU)-authenticated records to establish default for the purpose of admission of a Section 7 CIRP (corporate insolvency resolution process) application by financial creditors. The idea is to make the admission process quicker as the NCLT will only be required to consider IU-authenticated records as evidence of default for Section 7 applications. The corporate affairs ministry has also proposed changes to the IBC fund, so that it can support part of the expenses of resource-strapped insolvency proceedings, such as payment towards workmen’s dues or for carrying forward avoidance proceedings. A detailed framework for contribution to and utilisation of the IBC fund will be prescribed by the government, since the present structure, it is felt, provides limited ways of utilising the amount contributed. “The fund could also be used to provide interim finance as often operations during CIRP suffer due to lack of reasonably priced interim finance,”

(Source: *Business Standard*)

4. TO PROVIDE RELIEF TO THE WORKERS RENDERED JOBLESS, CENTRE INTRODUCED TEXTILE WORKERS REHABILITATION FUND SCHEME (TWRFS)

The Government had introduced Textile Workers Rehabilitation Fund Scheme (TWRFS) with effect from 15.09.1986 to provide relief to the workers rendered jobless due to permanent closure of Non-SSI Textile Mills in private sector. With effect from 01.04.2017, TWRFS has been merged with Rajiv Gandhi Shramik KalyanYojna (RGSKY) under Ministry of Labour and Employment and notified vide Notification No. S.O.1081 (E) dated 06.04.2017. Workers rendered jobless can avail benefits under the said scheme. With a view to address the skilled manpower requirement in textile sector, Ministry of Textiles is implementing Samarth (Scheme for Capacity Building in Textiles Sector), under the broad policy guidelines of “Skill India” initiative and in alignment with skilling programme of Ministry of Skill Development and Entrepreneurship. SAMARTH scheme supplements the efforts of creating jobs in the organized textile and related sectors of the entire value chain

excluding Spinning and Weaving. SAMARTH scheme also supports skill upgradation in the traditional sectors of handlooms, handicrafts, sericulture and jute.

(Source: Orissadiary.com)

5. “INSOLVENCY AND BANKRUPTCY CODE (IBC), 2016 A “GAMECHANGER REFORM”: SHRI PIYUSH GOYAL

The Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Shri Piyush Goyal has termed the Insolvency and Bankruptcy Code (IBC), 2016 as a “gamechanger reform” that has been the most successful law in insolvency resolution in the country. Addressing the 5th Foundation Day function of the Indian Institute of Insolvency Professionals of ICAI (IIPI), he hoped the faster Insolvency Resolution enabled by the IBC will eventually pave the way for banks to bring down the ‘Cost of Credit’. “Since the enactment of IBC, India’s rank in ‘Resolving Insolvency’ indicator in World Bank’s Ease of Doing Business Report has seen a meteoric rise of 84 places! Our recovery rate has also dramatically improved from 26 (cents on dollar) to 71.6 (cents on dollar),” he said. Shri Goyal said the IBC has brought about a marked shift in attitudes of lenders & borrowers, acting as an effective deterrent against unscrupulous borrowers and imparted banks the tool to follow due diligence and confidence about recovery. The Minister said, in view of the Covid crisis, the Government suspended the IBC for a year, from March, 200 to March, 2021. “This helped India bounce back much faster. The economy is doing well and five years down the line the outlook looks very, very bright.” Shri Goyal said the IIPI members are serving the nation’s interest by saving businesses and entrepreneurship in the country. “This has a big impact on ‘Saving Jobs and Reviving companies’ and by creating new banking opportunities.” Stating that the IIPI being the largest body of such professionals in the country, it has a fiduciary duty cast on its members and has a three-pronged roles to play, - legislative, executive and quasi-judicial. The Minister listed out five guiding principles for Insolvency professionals, - Integrity, Objectivity, Competency, Confidentiality and Transparency. He called upon the CAs to use technology in resolution of bad loans, look at new innovative ideas and set benchmarks.

(Source: pib.gov.in)