

Info Capsule

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA NOTIFIES FAST TRACK INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS REGULATIONS¹

The Insolvency and Bankruptcy Board of India (IBBI), in exercise of its powers conferred by sections 58, 196 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (Code), has notified the Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017. These regulations provide the process from initiation of insolvency resolution of eligible corporate debtors till its conclusion with approval of the resolution plan by the Adjudicating Authority. The process in these cases shall be completed within a period of 90 days, as against 180 days in other cases. However, the Adjudicating Authority may, if satisfied, extend the period of 90 days by a further period up to 45 days for completion of the process.

A creditor or a corporate debtor may file an application, along with the proof of existence of default, to the Adjudicating Authority for initiating fast track resolution process. After the application is admitted and the interim resolution professional (IRP) is appointed, if the IRP is of the opinion, based on the records of corporate debtor, that the fast track process is not applicable to the corporate debtor, he shall file an application before expiry of 21 days from the date of his appointment, to Adjudicating Authority to pass an order to convert the fast track process into a normal corporate insolvency resolution process.

The Ministry of Corporate Affairs has notified the relevant sections 55 to 58 of the Insolvency and Bankruptcy code, 2016 pertaining to the Fast Track Process and also notified that fast track process shall apply to the following categories of corporate debtors:

- A small company, as defined under clause (85) of section 2 of the Companies Act, 2013; or
- A Startup (other than the partnership firm), as defined in the notification dated 23rd May, 2017 of the Ministry of Commerce and Industry; or
- An unlisted company with total assets, as reported in the financial statement of the immediately preceding financial year, not exceeding Rs.1 crore.

The regulations are available at

http://www.ibbi.gov.in/Insolvency_and_Bankruptcy_Board_of_India_Fast_TrackInsolvency_Resolution_Process_for_Corporate_Persons_Regulations_2017.pdf

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx>

INDIA'S FOREIGN TRADE: MAY 2017²

I. MERCHANDISE TRADE

EXPORTS (including re-exports)

Exports have been exhibiting positive growth for the last eight months. In continuation with growth indicated by exports since September 2016, exports during May 2017 have shown growth of 8.32 per cent in dollar terms valued at US\$ 24014.62 million as compared to US\$ 22170.62 million during May, 2016. In Rupee terms, during May 2017 exports were valued at Rs. 154713.69 crore as compared to Rs. 148336.31 crore during May, 2016, registering a positive growth of 4.30 per cent.

During May 2017, Major commodity groups of export having a share of 72.09% in total export basket which have shown positive growth over the corresponding month of last year are Engineering Goods (8.25%), Gems & Jewellery (6%), Petroleum Products (24.92%), RMG of all Textiles (8.06%), Organic & Inorganic Chemicals (15.34%), Rice (27.08%), Marine Products (44.58%) and Electronic Goods (8.57%).

Cumulative value of exports for the period April-May 2017-18 was US \$48649.71 million (Rs 313627.48 crore) as against US \$42739.47 million (Rs 285056.42 crore) registering a positive growth of 13.83 per cent in Dollar terms and 10.02 per cent in Rupee terms over the same period last year.

Non-petroleum and Non Gems & Jewellery exports in May 2017 were valued at US\$ 17514.36million against US\$ 16404.31million in May 2016, an increase of 6.77 %. Non-petroleum and Non Gems and Jewellery exports during April -May 2017-18 were valued at US\$ 35233.23 million as compared to US\$ 31540.72 million for the corresponding period in 2016-17, an increase of 11.71%.

IMPORTS

Imports during May 2017 were valued at US\$ 37856.34 million (Rs. 243888.74 crore) which was 33.09per cent higher in Dollar terms and 28.16per cent higher in Rupee terms over the level of imports valued at US\$ 28443.52 million (Rs. 190306.19crore) in May, 2016. Cumulative value of imports for the period April-May 2017-18 was US\$ 75740.62 million (Rs. 488269.26 crore) as against US\$ 53857.24 million (Rs. 359229.90 crore) registering a positive growth of 40.63 per cent in Dollar terms and 35.92 per cent in Rupee terms over the same period last year.

Major commodity group of imports showing high growth in May 2017 over the corresponding month of last year are Petroleum, Crude & products (29.54%),Gold (236.69%), Electronic goods (34.16%), Pearls, precious & Semi-precious stones(37.61%) and Machinery, electrical & non-electrical(6.42%).

CRUDE OIL AND NON-OIL IMPORTS

Oil imports during May, 2017 were valued at US\$ 7692.71 million which was 29.54percent higher than oil imports valued at US\$ 5938.59million in May 2016.Oil imports during April-May, 2017-18 were valued at US\$ 15051.98 million which was 29.82 per cent higher than the oil imports of US\$ 11594.51 million in the corresponding period last year.

² Available at: <http://pib.nic.in/newsite/erelease.aspx>

In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 7.94% in May 2017 vis-à-vis May 2016 as per World Bank commodity price data (The pink sheet).

Non-oil imports during May, 2017 were estimated at US\$ 30163.63 million which was 34.03 per cent higher than non-oil imports of US\$ 22504.93 million in May, 2016. Non-oil imports during April-May 2017-18 were valued at US\$ 60688.64 million which was 43.60 per cent higher than the level of such imports valued at US\$ 42262.73 million in April-May, 2016-17.

II. TRADE IN SERVICES (for April, 2017, as per the RBI Press Release dated June 15, 2017)³

EXPORTS (Receipts)

Exports during April 2017 were valued at US\$ 12904 Million (Rs. 83239.96 Crore) registering a negative growth of 8.99 per cent in dollar terms as compared to positive growth of 8.57 per cent during March 2017 (as per RBI's Press Release for the respective months).

IMPORTS (Payments)

Imports during April 2017 were valued at US\$ 7222 Million (Rs. 46587.03 Crore) registering a negative growth of 12.64 per cent in dollar terms as compared to positive growth of 14.26 per cent during March 2017 (as per RBI's Press Release for the respective months).

III. TRADE BALANCE

MERCHANDISE: The trade deficit for May 2017 was estimated at US\$ 13841.72 million as against the deficit of US\$ 6272.90 million during May 2016.

SERVICES: As per RBI's Press Release dated 15th June 2017, the trade balance in Services (i.e. net export of Services) for April, 2017 was estimated at US\$ 5682 million.

OVERALL TRADE BALANCE: Taking merchandise and services together, overall trade deficit for April- May 2017-18 is estimated at US\$ 21408.91 million as compared to US\$ 5392.77 million during April-May 2016-17. (Services data pertains to April 2017 as April 2017 is the latest data available as per RBI's Press Release dated June 15, 2017)

MERCHANDISE TRADE

EXPORTS & IMPORTS : (US \$ Million)		
(PROVISIONAL)		
	MAY	APRIL-MAY
EXPORTS(including re-exports)		
2016-17	22170.62	42739.47
2017-18	24014.62	48649.71
%Growth 2017-18/ 2016-17	8.32	13.83
IMPORTS		
2016-17	28443.52	53857.24
2017-18	37856.34	75740.62
%Growth 2017-18/ 2016-17	33.09	40.63
TRADE BALANCE		
2016-17	-6272.90	-11117.77
2017-18	-13841.72	-27090.91

³ Available at: https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=40769

EXPORTS & IMPORTS : (Rs. Crore)		
(PROVISIONAL)		
	MAY	APRIL-MAY
EXPORTS(including re-exports)		
2016-17	148336.31	285056.42
2017-18	154713.69	313627.48
%Growth 2017-18/ 2016-17	4.30	10.02
IMPORTS		
2016-17	190306.19	359229.90
2017-18	243888.74	488269.26
%Growth 2017-18/ 2016-17	28.16	35.92
TRADE BALANCE		
2016-17	-41969.88	-74173.48
2017-18	-89175.05	-174641.78

SERVICES TRADE

EXPORTS & IMPORTS (SERVICES) : (US \$ Million)	
(Provisional)	April 2017
EXPORTS (Receipts)	12904
IMPORTS (Payments)	7222
TRADE BALANCE	5682
EXPORTS & IMPORTS (SERVICES): (Rs. Crore)	
(Provisional)	April 2017
EXPORTS (Receipts)	83239.96
IMPORTS (Payments)	46587.03
TRADE BALANCE	36652.93
Source: RBI Press Release dated June 15,2017	

Team ICSI

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