

# VEDANAM

A MONTHLY NEWSLETTER BY MEHTA & MEHTA

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MEHTA & MEHTA

Legal and Advisory Services

## WHY VEDANAM?

We, Mehta & Mehta, present you with our monthly newsletter which covers regulatory updates, case laws and study articles. We hereby release our July 2023 issue.



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## THOUGHT

"Injustice anywhere is a threat to justice everywhere"

## Ministry of Corporate Affairs Update

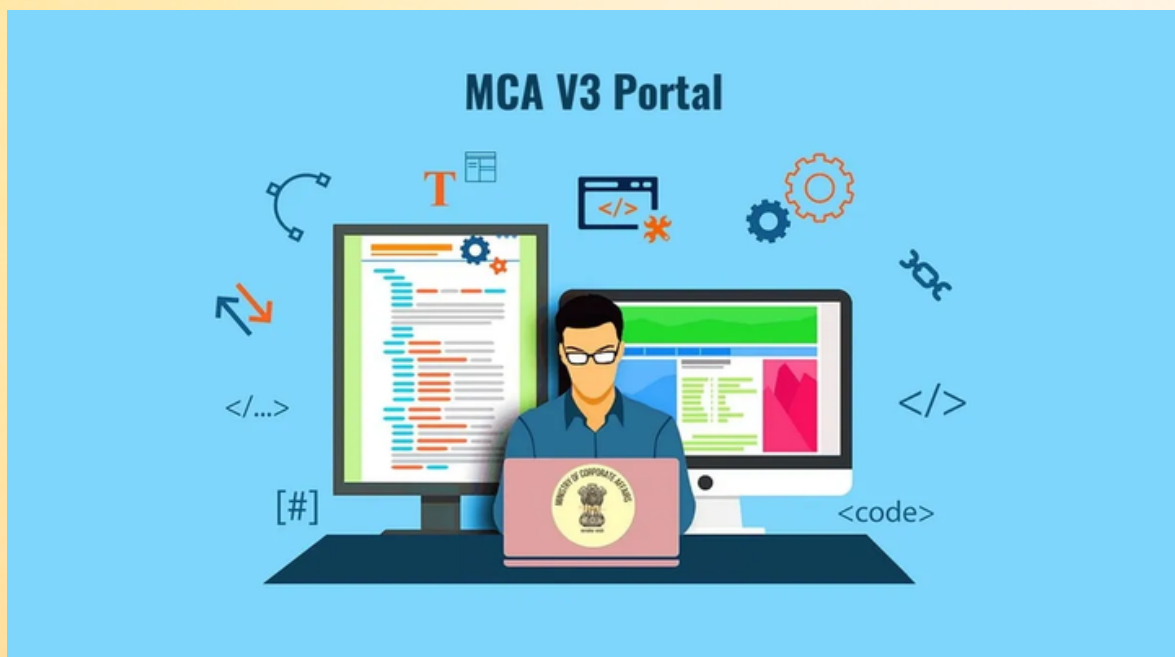
### MCA Update: Merger of multiple user IDs in V2 Portal with new User ID in V3 and deactivation of old user ID in V2 Portal

As per the notification dated 12th July issued MCA stated that based on its observations many members of the Institute of Chartered Accountants, Institute of Company Secretaries and Institute of Cost Accountants of India have multiple user IDs on existing V2 portal thus not being able to create ID in the new MCA21 V3 portal.

The MCA through latest circular has now notified that the members of the above-mentioned institutes can now approach their respective institutes and on the recommendation of the institution can either merge the existing user IDs with the ID created on V3 portal or deactivate the old IDs and create new on the MCA21 V3 portal.

#### Link:

<https://www.mca.gov.in/bin/dms/getdocumentmds=GZbzY8G5s24kITjoGKWLQQ%253D%253D&type=open>



## **SEBI Update - Appointment of Director nominated by the Debenture Trustee on boards of issuers**

Sebi on 4th July provided clarity on the requirements for appointment of directors by entities that have listed their debt securities.

Under Sebi norms pertaining to listing of non-convertible securities, an entity registered under the Companies Act, 2013 has to ensure that a person nominated by the debenture trustee is appointed as a director.

While this obligation exists for issuers that are companies under the Companies Act, 2013, there is no similar obligation for issuers that are not companies.

Against this backdrop, Sebi noted that the appointment of a director including nominee director is driven by the provisions of the principal document of the entity (Articles of association, in case of companies under the Companies Act, 2013).

A nominee director is a director, and therefore, except for specific provisions of law, articles or the terms of the agreement under which the right of nomination comes, the position, appointment process, responsibilities, etc., of the nominee director are the same as that of any other director on the board.

Citing issues raised by the debenture trustees and the role of a nominee director. The issuers coming under certain categories can submit an undertaking to the debenture trustees instead of nominating a director.

A non-executive/ independent director/ trustee/ member of its governing body shall be designated as nominee director in consultation with the debenture trustee, or, in case of multiple debenture trustees, in consultation with all the debenture trustees

## **[Link: Appointment of Nominee Director by Debenture Trustees on the Board](#)**

## **SEBI Update- Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT**

The Securities and Exchange Board of India (SEBI) has issued a circular announcing amendments to the guidelines for preferential issue and institutional placement of units by listed Real Estate Investment Trusts (REITs).

The circular modifies the pricing of units and provides clarity on relevant dates for institutional placement.

The circular modifies Clause 2 of Annexure II of the previous guidelines issued by SEBI. It states that the institutional placement should be made at a price not lower than the average of the weekly high and low of the closing prices of units of the same class quoted on the stock exchange during the two weeks preceding the relevant date. The REIT is allowed to offer a discount of up to five percent on the calculated price, subject to approval from unitholders through a resolution.

# SECURITIES AND EXCHANGE BOARD OF INDIA UPDATES

This amendment aims to provide greater flexibility and transparency in determining the pricing of units during institutional placements. By considering the average prices over a two-week period, it helps to prevent undue fluctuations and ensures a fair valuation for investors. The option to offer a discount provides an additional incentive for investors, potentially attracting more participation in institutional placements.

The circular emphasizes that the amendments are applicable with immediate effect.

**[Link: Guidelines for preferential issue and institutional placements units by listed REITs](#)**

**SEBI Update - Amendments to guidelines for preferential issue and institutional placement of units by a listed INVIT**

The Securities and Exchange Board of India (SEBI) has issued a circular announcing amendments to the guidelines for preferential issue and institutional placement of units by listed INVIT

The circular modifies the pricing of units and provides clarity on relevant dates for institutional placement.

The circular modifies Clause 2 of Annexure II of the previous guidelines issued by SEBI. It states that the institutional placement should be made at a price not lower than the average of the weekly high and low of the closing prices of units of the same class quoted on the stock exchange during the two weeks preceding the relevant date. The INVIT is allowed to offer a discount of up to five percent on the calculated price, subject to approval from unitholders through a resolution. This amendment aims to provide greater flexibility and transparency in determining the pricing of units during institutional placements. By considering the average prices over a two-week period, it helps to prevent undue fluctuations and ensures a fair valuation for investors. The option to offer a discount provides an additional incentive for investors, potentially attracting more participation in institutional placements.

The circular emphasizes that the amendments are applicable with immediate effect.

**[Link - Guidelines for preferential issue and institutional placements units by listed INVITs](#)**



## **SEBI Update: Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities**

This Master Circular has been prepared in order to enable the users to have access to the provisions of the applicable circulars, issued till June 30, 2023, at one place.

The Master Circular provides a chapter-wise framework for compliance with various obligations under the LODR Regulations. For ease of reference, each chapter of this circular contains footnotes corresponding to the respective circulars.

**[Link- Master circular for compliance with the provisions of the Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2015 by listed entities](#)**

## **SEBI Update: BRSR Core – Framework for assurance and ESG disclosures for value chain**

Sebi on 12th July came out with a regulatory framework for listed entities on ESG disclosures on supply chain and assurance.

Keeping in view the relevance to the Indian market context, few new KPIs have been identified for assurance such as job creation in small towns, openness of business and gross wages paid to women. Further, for better global comparability, intensity ratios based on revenue adjusted for purchasing power parity have been included.

Applicability

ESG disclosures for the value chain shall be applicable to the top 250 listed entities (by market capitalization), on a comply-or-explain basis from FY 2024-25.

The limited assurance of the above shall be applicable on a comply-or-explain basis from FY 2025 - 26.

**[Link: Framework for assurance and ESG disclosures for value chain](#)**

## **SEBI Update – Trading Window Closure Period Under Clause 4 Of Schedule B Read With Regulation 9 Of SEBI (Prohibition Of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extending Framework For Restricting Trading By Designated Persons (“DPs”) By Freezing PAN At Security Level To All Listed Companies In A Phased Manner**

The Securities and Exchange Board of India (SEBI) has issued a circular, extending the trading window closure period for listed companies. SEBI circular dated July 19, 2023, highlights the phased implementation of the framework for restricting trading by Designated Persons (DPs) through freezing PAN at the security level.

The circular outlines the provisions of Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, which govern the trading activities of DPs. It explains the instances of trading window closure, including the period after the declaration of financial results. To improve compliance and ease of doing business.

# SECURITIES AND EXCHANGE BOARD OF INDIA UPDATES

Timelines for phase wise implementation of the framework

Sr No	Companies to be covered	PAN freeze start date
1	Listed companies that are part of benchmark indices i.e. NIFTY 50 and SENSEX	Already applicable as on date
2	Top 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023 (excluding companies part of benchmark indices)	October 1, 2023
3	Next 1,000 companies in terms of BSE Market Capitalization as of June 30, 2023	January 1, 2024
4	Remaining companies listed on BSE, NSE & MSEI	April 1, 2024
5	Companies getting listed on Stock Exchanges post issuance of this circular	1st day of the second quarter from the quarter in which the company gets listed

[Link - Trading Window Closure](#)

## SEBI Update- New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds.

SEBI has decided to introduce a separate sub-category for ESG (Environmental, Social and Governance) investments under thematic category of equity schemes. Any scheme under the ESG category can be launched with one of the strategies such as Exclusion, Integration, Best-in-class & Positive Screening, Impact investing, Sustainable objectives, and Transition or transition related investments.

Presently, mutual funds are permitted to launch only one ESG scheme under the thematic category for equity schemes. In view of the industry representations for allowing multiple schemes with different ESG strategies and considering the increasing need for green financing, Sebi has decided to permit launch of multiple ESG schemes with different strategies by mutual funds.

Mutual funds should ensure that the schemes launched are clearly distinct in terms of asset allocation, investment strategy etc.

A minimum 80% of the total assets under management (AUM) of ESG schemes should be invested in equity & equity related instruments of that particular strategy of the scheme. The remaining portion of the investment should not be in contrast to the strategy of the scheme. Mutual Funds should deploy a higher proportion of the assets towards the scheme’s strategy under the ESG theme and make suitable disclosures.

# SECURITIES AND EXCHANGE BOARD OF INDIA UPDATES

Presently, the ESG schemes of mutual funds are mandated to invest only in such companies which have comprehensive Business Responsibility and Sustainability Reporting (BRSR) disclosures. Sebi has decided that an ESG scheme should invest at least 65% of its AUM in companies which are reporting on comprehensive BRSR and are also providing assurance on BRSR Core disclosures.

Sebi has also introduced some disclosure requirements for ESG schemes. First, mutual funds should clearly disclose the name of ESG strategy in the name of the concerned ESG fund/scheme. Mutual funds should disclose security wise BRSR Core scores along with the BRSR scores in their monthly portfolio statements of ESG schemes, Sebi said. Mutual funds should also disclose the name of the ERPs providing ESG scores for the ESG schemes, along with the ESG scores.

**[Link - New category of Mutual Fund schemes for Environmental, Social and Governance \("ESG"\)](#)**

**SEBI Update - Framework for Corporate Debt Market Development Fund (CDMDF)**

Sebi has come out with the guidelines for the fund. The fund will act as a backstop facility for purchase of investment-grade corporate debt securities, to instil confidence among the participants in the corporate debt market during times of stress.

It would also enhance secondary market liquidity by creating a permanent institutional framework for activation in times of market stress.

The fees and expenses of the Fund shall be as follows:

- During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
- During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
- "Portfolio Value" means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the Fund.

CDMDF would be launched as a close ended scheme with an initial tenure of 15 years from the date of its initial closing. The units of CDMDF can be subscribed by asset management companies (AMCs) and specified debt-oriented mutual fund schemes, excluding overnight funds, gilt funds and conservative hybrid funds.

**[Link-Framework for Corporate Debt Market Development Fund \(CDMDF\)](#)**

**SEBI Update- Mandating Legal Entity Identifier (LEI) for all non - individual Foreign Portfolio Investors (FPIs)**

SEBI has made it mandatory for all non-individual Foreign Portfolio Investors (FPIs) to provide their Legal Entity Identifier (LEI) details in common application form used for registration, KYC and account opening.

LEI, a unique global identifier for legal entities participating in financial transactions, is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20 character code to identify legally distinct entities that engage in financial transactions.

# SECURITIES AND EXCHANGE BOARD OF INDIA UPDATES

Reserve Bank of India (RBI) directions mandate non-individual borrowers having aggregate exposure of above Rs 25 crore to obtain LEI code.

Presently, FPIs are required to provide their LEI details in the Common Application Form (CAF), used for registration, KYC and account opening of FPIs on a voluntary basis, the Securities and Exchange Board of India (Sebi) said in a circular.

"It has now been decided to mandate the requirement of providing LEI details for all non-individual FPIs"

Sebi said that all existing FPIs, including those applying for renewal, that have not already provided their LEIs to their Designated Depository Participants (DDPs) will be required to do so within 180 days, failing which their account will be blocked for further purchases until LEI is provided to their DDPs.

**[Link- Mandating Legal Entity Identifier \(LEI\) for all non – individual Foreign Portfolio Investors \(FPIs\)](#)**

## LEGAL ENTITY IDENTIFIER



## SEBI Update - Resources for Trustees of Mutual Funds

The Securities and Exchange Board of India (SEBI) has issued a circular, mentioning that trustees of mutual fund standing arrangement with independent firms has to be available on a continuous basis, a confirmation to this effect shall be provided by Trustees in the Half Yearly Trustee Reports submitted to SEBI.

Accordingly, the format for Half Yearly Trustee Report, as provided under Chapter 2 of Formats in the Master Circular, shall stand modified as under:

"72. Compliance with the requirement of standing arrangements with independent firms for special purpose audit and/or to seek legal advice.

73. Any other matter the trustees would like to report to SEBI."

The provisions of this circular shall be applicable with immediate effect.

**[Link-Resources for Trustees of Mutual Funds](#)**





## RESERVE BANK OF INDIA UPDATES

### RBI Update - Inclusion of "NongHyup Bank" in the Second Schedule of the Reserve Bank of India Act, 1934

It is advised that "NongHyup Bank" has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification dated June 20, 2023 and published in the Gazette of India (**Part III - Section 4**) dated July 15 - July 21, 2023.

[Link- Inclusion of "NongHyup Bank" in the Second Schedule of the Reserve Bank of India Act, 1934](#)



## IBBI exempts payment of regulator fees in certain real estate projects

IBBI vide Notification No. IBBI/2023- 24/GN/REG102, dated 20th July 2023 inserted the following provision in CIRP Regulations, 2016, in Reg. 31A sub-regulation (1) – The regulatory fee shall not be payable in cases where the approved resolution plan in respect of insolvency resolution of a real estate project is from an association or group of allottees in such real estate project. Reg 31A deals with rate of Regulatory fee payable to the Board from the realised value after the approval of resolution plan, where the realisable value is more than the liquidation value.

## GST Update

The Central Board of Indirect Taxes and customs (CBIC) has issued series of notifications extending the due dates for the amnesty scheme to 31st August 2023 which expired on 30th June 2023. The amnesty scheme provides relief to taxpayers for various defaults committed under the GST Act, 2017.

Sr. No	Form under GST	Purpose	Extension
1	GSTR-4	It is an annual return filed by the taxpayers who opted Composition Scheme.	CBIC vide its Notification No. 22/2023 dt. 17th July 2023 extended the amnesty period from 30th June 2023 to the 31st August 2023.
2	GSTR-9	It is an annual return filed by the taxpayers registered under GST	CBIC vide its Notification No. 25/2023 dt. 17th July 2023 extended the initial deadline from 30th June 2023 to 31st August, 2023
3	GSTR-10	This form also known as final return, is filed by registered persons whose registration has been surrendered or cancelled.	CBIC vide its Notification No. 26/2023 dt. 17th July 2023 extended deadline to file GSTR-10 from 30th June 2023 to 31st August 2023.

## IBBI UPDATES

Apart from above, CBIC vide its Notification No. 23/2023 dt. 17th July 2023 extended the last date for submission of applications to revoke GST registration cancellations to 31st August 2023 from the earlier deadline of 30th June 2023 and also announced an extension to the amnesty scheme for deemed withdrawal of assessment orders issued under Section 62 of the CGST Act, 2017 to 31st August 2023 CBIC vide its Notification No. 24/2023 dt. 17th July 2023.

<b>Regulation</b>	<b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.</b>	<b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2023.</b>	<b>Comments</b>
Reg 31(A)- Regulatory fees in sub reg (1) after proviso Explanation is inserted		For removal of doubts, it is hereby clarified that the regulatory fee under this sub-regulation, shall not be payable in cases where the approved resolution plan in respect of insolvency resolution of a real estate project is from an association or group of allottees in such real estate project	It is clarified that regulatory fees shall not be payable in cases where the approved resolution plan in respect of insolvency resolution of a real estate project is from an association or group of allottees in such real estate project.

## IBBI UPDATES

<b>Regulation</b>	<b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.</b>	<b>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2023.</b>	<b>Comments</b>
Reg 5 – Qualifications and Experience in clause (c), in sub-clause (ii)	successfully completed the [Graduate Insolvency Programme, as may approved by the Board	successfully completed the [Post] Graduate Insolvency Programme, as may approved by the Board	Before the words “Graduate Insolvency Programme”, the word “Post” shall be inserted

**Note in Form A In table (iii) Insolvency Examination, in Sl. No. 2 row, before the words “Graduate Insolvency Programme”, the word “Post” shall be inserted.**

## Knowledge Sharing Case Law

### **Whether CIRP application u/s 7 of IBC filed by Bank on the basis of a Recovery Certificate gave rise to a fresh cause of action for filing of application? – Sanjay Kumar Makhariya Vs. State Bank of India & Anr. – NCLAT Chennai**

#### **Summary:**

In the given case an application filed by the Respondent u/s 7 of the Insolvency and Bankruptcy Code, 2016, (for short 'The Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules 2016, ('Rules') for the sum of Rs.7,73,30,22,118.85/- dated 30th September 2022 has been admitted. Counsel for Appellant on the other hand has submitted that the account was declared NPA on 11th August 2012 i.e., almost a decade before the application was filed on 27th October 2022., thus making it time barred under Article 137 of the Limitation Act, 1963 which is three years from the declaration of account as NPA in 2012.

#### **Facts of the case:**

- By impugned order, an Application filed by the Respondent under Section 7 of the IBC for the resolution of sum Rs.7,73,30,22,118.85/- as on 30.09.2022 has been admitted.
- Counsel for the Appellant has submitted that the account was declared NPA on 11.07.2012, whereas the Application under Section 7 was filed on 27.10.2022 after more than a decade, therefore, the application is barred by Limitation in view of the fact that the application under Section 7 can be filed only within a period of three years, prescribed under Article 137 of the Limitation Act, 1963.
- On the other hand, Counsel appearing on behalf of Respondent has submitted that the Application under Section 7 has been filed on the basis of a Recovery Certificate pursuant to a decision passed by the Debt Recovery Tribunal, Hyderabad.

#### **Issues Involved:**

- Based on the facts of the case given above an application filed by the Respondent u/s 7 of the Insolvency and Bankruptcy Code, 2016, (for short 'The Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules 2016, ('Rules') for the Resolution of sum Rs.7,73,30,22,118.85/- as on 30.09.2022 was admitted a decade after the account was declared NPA.
- The same application was admitted by the Debt Recovery Tribunal and Moratorium was imposed along with appointment of Interim Resolution Profession (IPR) and Recovery Certificate was passed.
- The Appellant who submitted that the account was declared NPA on 11.07.2012 argued that the application filed on 27.10.2022 u/s 7 was barred by the limitation as the period prescribed under Article 137 of the Limitation Act, 1963 stated that the application can be filed within the period of three years.

## Knowledge Sharing Case Law

### Conclusion:

As per the judgement given by the NCLAT the court noted that in the judgement given by **Hon'ble Supreme Court in the case of `Dena Bank' Vs. `C. Shivkumar Reddy & Anr.', 2021 SCC OnLine 543** it was held that a fresh period of limitation would start from the date of issuance of Certificate of Recovery by DRT it was also further noted that the decision of the **Hon'ble Supreme Court in Dena Bank (Supra), has further been confirmed by the Hon'ble Supreme Court (three Judges Bench) in the case of `Kotak Mahindra Bank' Vs. `A Balakrishnan & Anr.' in Civil Appeal No. 689/2021 decided on 30.05.2022..**

Both the decisions mentioned above stated that the a judgment and/or decree for money in favour of the financial creditor, passed by the DRT, or any other tribunal or court, or the issuance of a certificate of recovery in favour of the financial creditor, would give rise to a fresh cause of action for the financial creditor, to initiate proceedings under Section 7 IBC for initiation of the corporate insolvency resolution process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the certificate of recovery, if the dues of the corporate debtor to the financial debtor, under the judgment and/or decree and/or in terms of the certificate of recovery, or any part thereof remained unpaid.

Thus, the judgement affirmed that the fresh period shall begin from the date of Certificate of Recovery was passed and it is thus submitted that the Application under Section 7, having been filed on **27.10.2022**, on the basis of Recovery Certificate dated **21.02.2020**, is within the period of three years and is thus within Limitation.

Thus the appeal was further held dismissed and all applications filed by the Appellant were closed.



# Insolvency and Bankruptcy Case Laws

## ASSET RECONSTRUCTION COMPANY (INDIA) LTD. VS. UNIWORTH TEXTILES LTD.

### NCLAT New Delhi – Order dated 10th July 2023

“Whether filing a Petition by the Corporate Debtor before BIFR and subsequently order of AAIFR would be considered as appropriate forum or not or its subsequent impact on limitation period and whether mere entry in Balance Sheet of the amount of the outstanding debt should be taken as acknowledgment or only debt without any stigma or adverse note denying the liability should be taken as acknowledgment”.

#### FACTS OF THE CASE

The Appellant revoked the terms of settlement due to non-compliance and default in the payment on part of Corporate Debtor, and subsequently filed Section 7 application under the Code. Section 7 application got rejected. It is the case of the Appellant that the Adjudicating Authority ignored the vital facts that Corporate Debtor had acknowledged the outstanding debts vide letter dated 11th November 2016 and in addition to the acknowledgements in the balance sheets which extended the period of limitation under section 18 of the Limitation Act.

#### DECISION OF THE APPELLATE TRIBUNAL

The Adjudicating Authority erred in rejecting the application filed under Section 7 of the Code by the Appellant on the ground of limitation as the period of reference under SICA before the BIFR or AAIFR would stand excluded while computing the period of limitation for the purpose of filing company petition. Thus, the case is remanded back to the Adjudicating Authority to decide the case on the merits of the application.

## MRS TEENA SARASWAT PANDEY VS. REGIONAL PROVIDENT FUND COMMISSIONER

### NCLT MUMBAI – Order dated 10th July 2023

“Whether an attachment on Corporate Debtor’s bank account imposed by Provident Fund Authority before the initiation of CIRP can continue during Moratorium under Section 14 of IBC?”

#### FACTS OF THE CASE

The Application is filed for seeking directions to the Regional Provident Fund Commissioner to remove the lien and release the amount which is held in its custody during the CIRP. The RP in the 6th CoC meeting had sought permission to operate the current account, which is being maintained with HDFC bank, for the CIRP period and the same was approved by CoC. However, the HDFC bank account was frozen by the respondent.

#### DECISION OF THE TRIBUNAL

The RP admitted amount of EPF is proposed to be paid in the resolution plan approved by the COC in its 21st meeting. Therefore, the continuation of the lien on the bank account would not serve any purpose. The lien created by the Respondent on the HDFC Bank Account is hereby quashed/set aside and the Resolution Professional shall be at liberty to deal with the same in accordance with the IB Code 2016.

# Insolvency and Bankruptcy Case Laws

## JAYDIP GHOSH VS. NIRAJ AGRAWAL RP OF CASTAL EXTRUSION PVT. LTD.

### NCLAT New Delhi – Order dated 24th July 2023

“Whether change of business of the Corporate Debtor by Successful Resolution Applicant is permissible in Resolution Plan?”

#### FACTS OF THE CASE:

The Adjudicating Authority approved a resolution plan which has completely changed the nature of the business.

#### DECISION OF ADJUTICATING AUTHORITY

The court held that it was commercial wisdom of CoC to accept the plan which has been noticed by way of change of business of CD and it is settled law that the acceptance of plan is a commercial wisdom of COC.

## MR. K.C.M. KUMAR VS. MR. RAGHU BABU GUNTURU, RP OF M/S. SPECK SYSTEMS LTD.

### NCLT Hyderabad – Order dated 17th July 2023

“NCLT allows Promoters of MSME to submit Resolution Plan at belated stage.”

#### FACTS OF THE CASE:

RP invited Resolution Plans and the CoC members were appraised about three Resolution Plans. NCLT remanded the Resolution Plan back to the CoC for further consideration. After the Resolution Applicant had duly amended the plan, the said Resolution Plan is still under consideration before the CoC. The Applicant is director of CD and runs an MSME unit wherein he is eligible to submit a plan. He requested RP to grant him an opportunity to submit a plan which was rejected by the RP.

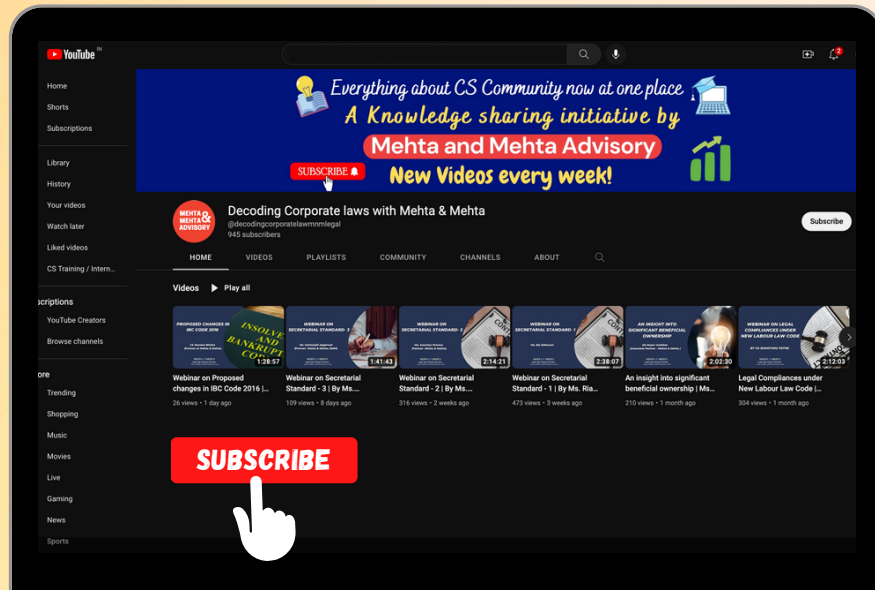
#### DECISION OF ADJUTICATING AUTHORITY

The bench held that the object of the Code is maximization of the Value of the Assets of Corporate Debtor and thus is inclined to give an opportunity to the Applicant who is MSME to submit his Resolution Plan. But however, the same would be placed by the Resolution Professional before the CoC and the same shall be dealt with in accordance with Law.





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