

VEDANAM

SEPT, 2023



"Compliance is not just a box-ticking exercise; it's a commitment to ethical conduct and adherence to laws and regulations."

WHY VEDANAM?

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

We hereby release our September 2023 issue.

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STAY UPDATED WITH VEDANAM ON THE GO

Stay informed and empowered with our comprehensive Legal Newsletter "Vedanam", a thoughtfully curated newsletter designed to provide legal professionals, scholars, and enthusiasts with the latest developments, trends, and analysis from the dynamic world of law.

MCA Update- MCA Extends the Timeline for the Annual General Meeting and EGM through VC or OAVM until September 30, 2024

The MCA issued General Circular dated September 25, 2023 regarding the Extension of the timeline of the Annual General Meeting (AGM) and EGM through Video Conference (VC) or Other Audio Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with Rules made thereunder till September 30, 2024.

In continuation to this Ministry's General Circular No. 20/2020 dated May 05, 2020, General Circular dated May 05, 2022 and General Circular dated December 28, 2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before September 30, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular dated May 05, 2020.

However, it is hereby clarified that General Circular shall not be construed as conferring any extension of statutory time for holding of AGMS by the companies under the Companies Act, 2013 (the Act) and the companies which have not adhered to the relevant statutory timelines shall be liable to legal action under the appropriate provisions of the Act.

Further, in continuation to this Ministry's General Circular No. 14/2020 dated April 08, 2020, General Circular dated May 05, 2022 and General Circular dated December 28, 2022 and after due examination, it has also been decided to allow companies to conduct their EGMs through Video Conference (VC) or Other Audio Visual Means (OAVM) or transact items through postal ballot in accordance with framework provided in the aforesaid Circulars up to September 30, 2024.

[Link - MCA Extends the Timeline for the Annual General Meeting and EGM through VC or OAVM until September 30, 2024](#)

SEBI Update- New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/or Non-convertible Redeemable Preference Shares

Sebi on 4th September 2023, came out with a new format for abridged prospectus for public issuance of non-convertible debt securities wherein critical information will be provided on the front page of the offer document. Besides, the issuer or merchant bankers concerned should include a Quick Response (QR) code so that the prospectus can be accessed on scanning the code.

The format has been revised to further simplify and provide greater clarity and consistency in the disclosures across various documents.

The new format will be applicable for all public issues opening on or after October 1, 2023.

Link - New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/or Non-convertible Redeemable Preference Shares

SEBI Update - Change in Mode of Payment w.r.t. SEBI Investor Protection & Education Fund Bank A/c

Securities and Exchange Board of India (SEBI) has issued a new circular dated September 4, 2023, outlining important changes in the mode of payment with respect to the SEBI Investor Protection and Education Fund (IPEF).

The new directive mandates that payments must now be made exclusively through a designated link www.sebi.gov.in

New Payment Options: SEBI has expanded the range of payment options for remittances to the IPEF, now including:

Net Banking

NEFT/RTGS

Debit Cards

UPI

While making online payments through the newly provided link, payers are required to furnish specific details such as their name, PAN, mobile number, email ID, the purpose of the payment, and the amount to be paid. This aims to make the transaction transparent and traceable.

Link - Change in Mode of Payment w.r.t. SEBI Investor Protection & Education Fund Bank A/c

SEBI Update - Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs)

The large quantum of information submitted daily by CRAs to DTs, as well as short timelines mandated for disclosure of this information by DTs, it is essential that the data shared by CRAs be structured and submitted in a specified format for easier accessibility and analysis of the submitted data.

Based on discussion with CRAs and DTs, an excel template is placed as Annexure. CRAs shall use the same template for their daily submissions of rating revisions to DTs.

Such submissions shall be sent by CRAs to DTs on the same day as the day of rating revisions, on either the generic email ID being used for regulatory purposes, or email IDs/URL as may be communicated for this purpose by DTs.

The circular shall be applicable with effect from October 01, 2023.

Link- Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs)

SEBI Update - Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund

SEBI on 6th September 2023 issued clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund.

The following has been stated namely.

This has reference to SEBI Circular dated July 27, 2023, on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund ("CDMDF").

It is clarified that for calculation of asset allocation limits of mutual fund schemes in terms of Part IV of Chapter 2 on 'Categorization and Rationalization of Mutual Fund Schemes' of Master Circular for Mutual Funds dated May 19, 2023, investment in units of CDMDF shall be excluded from base of net assets.

Link - Clarification regarding investment of Mutual Fund schemes in units of Corporate Debt Market Development Fund

SEBI Update - Board nomination rights tounitholders of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Sebi on 11th Sept 2023 issued the framework to exercise board nomination rights by eligible unitholders of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

An eligible unitholder means a unitholder that has 10 per cent or more of the the total outstanding units of a REIT or InvIT, either individually or collectively.

The manager of a REIT or InvIT should review whether the eligible unitholders who have exercised the board nomination right, continue to have/hold the required number of units of the REIT or InvIT concerned.

The review has to be done within 10 days from the end of each calendar month.

This circular shall come into force with immediate effect.

Based on discussion with CRAs and DTs, an excel template is placed as Annexure. CRAs shall use the same template for their daily submissions of rating revisions to DTs.

Link - Board nomination rights tounitholders of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

SEBI Update - Regulatory Reporting by AIFs

The SEBI has issued a Circular dated September 14, 2023, outlining regulatory reporting requirements for Alternative Investment Funds (AIFs).

SEBI (AIF) Regulations, 2012, along with SEBI Master Circular for AIFs dated July 31, 2023, mandate that AIFs submit quarterly reports to SEBI. These reports are crucial for monitoring and regulating the activities of AIFs.

To standardize compliance standards and simplify reporting, SEBI collaborated with industry associations – Indian Venture and Alternate Capital Association (IVCA) and Equalifi. The result is a revised reporting format designed to streamline reporting for AIFs.

The revised reporting format will be made available on the websites of IVCA and Equalifi within two working days of the circular's issuance. This move aims to ensure transparency and accessibility for AIFs.

IVCA and Equalifi will assist AIFs in understanding the reporting requirements and addressing any issues related to reporting. This support is essential to ensure accurate and timely reporting.

AIFs are required to submit their quarterly reports online through the SEBI Intermediary Portal (SI Portal). Reports must be submitted within 15 calendar days from the end of each quarter.

The reporting format will undergo periodic reviews to align with the evolving AIF industry landscape. Any revisions will be made available on the association websites at least one month before the end of the quarter.

[Link - Regulatory Reporting by AIFs](#)

SEBI Update - Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.

SEBI Complaint Redressal System (SCORES) is a centralised web based complaint redressal facilitation platform launched in 2011. In order to strengthen the existing investor grievance handling mechanism through SCORES by making the entire redressal process of grievances in the securities market comprehensive by providing a solution that makes the process more efficient by reducing timelines and by introducing auto-routing and auto-escalation of complaint, SEBI notified the Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 and amended the regulations as mentioned under 'Schedule I' vide notification dated August 16, 2023.

The revised framework for handling complaints received through SCORES platform for Entities and for monitoring the complaints by designated bodies is specified in 'Annexure I' to this circular. A pictographic representation of the process is also set out in 'Schedule III'.

The other general provisions applicable to all Entities concerning SCORES portal are at 'Annexure II'.

The provisions of this circular related to work flow of processing of investor grievances by Entities and framework for monitoring and handling of investor complaints by the Designated Bodies shall come into force with effect from December 04, 2023.

[Link - Redressal of investor grievances through the SEBI Complaint Redressal \(SCORES\) Platform and linking it to Online Dispute Resolution platform.](#)

SEBI Update - Extension of timelines (i) for nomination in eligible demat accounts and (ii) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts

The SEBI on 26th September 2023 issued notification regarding Extension of timelines (i) for nomination in eligible demat accounts and (ii) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts.

The following has been stated namely

It has been decided to extend the last date for submission of PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers to December 31, 2023.

Stock Exchanges, Depositories, RTAs and Listed Companies are advised to:

a) take necessary steps to implement the provisions of this circular, including making necessary amendments to the relevant bye-laws / business rules / regulations / operational instructions, as the case may be.

b) bring the provisions of this circular to the notice of their respective constituents and also disseminate this circular on their websites.

c) communicate to SEBI, the status of the implementation of the provisions of this circular.

d) monitor the compliance of this circular.

[Link - Extension of timelines \(i\) for nomination in eligible demat accounts and \(ii\) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts](#)

SEBI Update - Nomination for Mutual Fund Unit Holders - Extension of timelines

SEBI vide Circular dated June 15, 2022 read with SEBI Circular dated July 29, 2022, and SEBI Circular dated March 28, 2023 prescribed the requirement for nomination/ opting out of nomination for all the existing individual unit holder(s) holding mutual fund units either solely or jointly, by September 30, 2023, failing which the folios shall be frozen for debits.

It has been decided that the provision mentioned at para 4 of SEBI Circular dated June 15, 2022 with regard to freezing of folios, shall come into force with effect from January 01, 2024 instead of September 30, 2023.

AMCs and RTAs shall encourage the unit holder(s) to fulfil the requirement for nomination/ opting out of nomination by sending a communication on fortnightly basis by way of emails and SMS to all such unit holder(s) who are not in compliance with the requirement of nomination. The communication shall provide guidance by which the unit holder(s) can provide nomination or opt out of nomination.

All other provisions of Circular dated June 15, 2022 and dated July 29, 2022 shall remain unchanged.

[Link - Nomination for Mutual Fund Unit Holders - Extension of timelines](#)

Reserve Bank of India Updates

RBI Update - Operation of Pre-Sanctioned Credit Lines at Banks through Unified Payments Interface (UPI)

The Statement on Developmental and Regulatory Policies dated April 06, 2023, expanding the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks. Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI. As announced, the scope of UPI is now being expanded by inclusion of credit lines as a funding account.

Under this facility, payments through a pre-sanctioned credit line issued by a Scheduled Commercial Bank to individuals, with prior consent of the individual customer, are enabled for transactions using the UPI System.

Banks may, as per their Board approved policy, stipulate terms and conditions of use of such credit lines. The terms may include, among other items, credit limit, period of credit, rate of interest, etc.

Link Operation of Pre-Sanctioned Credit Lines at Banks through Unified Payments Interface (UPI)

RBI Update - Responsible Lending Conduct - Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

The Regulated Entities (RE) shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

In case of loss/damage to original movable / immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated. However, in such cases, an additional time of 30 days will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

These Directions shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

Link -Responsible Lending Conduct - Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

RBI Update - Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023

The Reserve Bank of India has, from time to time, issued several guidelines / instructions / directives to the banks on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks.

To enable banks to have current instructions at one place, a Master Direction incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

Link - Master Direction

Reserve Bank of India Updates

RBI Update- Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies

It has been decided that Credit Information Companies (CICs) shall prepare Data Quality Index (DQIs) for Commercial and Microfinance segments respectively. CICs shall provide the DQIs for Commercial and Microfinance segments to all CIs latest by March 31, 2024.

Further, CICs are advised as under:

- CICs shall provide DQIs for Commercial and Microfinance segments in the form of numeric scores on a monthly basis to all member credit institutions.
 - DQI scores for Commercial and Microfinance segments shall be provided at CI and file level. The DQI scores for Commercial and Microfinance segments at CI level shall be computed as weighted average of file level DQI scores of commercial and microfinance segment respectively of that CI.
 - CICs shall compute industry level DQIs for each of the three reporting segments as weighted average of the CI level DQI in their respective category (e.g. Public Sector Banks, Private Sector Banks, Foreign Banks, Co-operative Banks, RRBs, NBFCs etc.) on monthly basis. Further, a half yearly Industry Benchmark shall be calculated as a rolling average of preceding six months Industry level DQI score of respective category of CIs.
1. CICs shall provide reasons for decline in score to each CI, if its (a) CI level score has declined over the previous month or (b) CI level score is lower than the half yearly industry benchmark.

- CICs shall provide monthly data of CI level DQI and industry level DQI of all segments to Department of Supervision, Reserve Bank of India, Central Office at half yearly intervals as on September 30 and March 31 each year, for information and monitoring purposes.

[Link - Data Quality Index for Commercial and Microfinance Segments by Credit Information Companies](#)

RBI Update - Display of information - Secured assets possessed under the SARFAESI Act, 2002

It has been decided that the Regulated Entities (REs) of the Reserve Bank which are secured creditors as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, shall display information in respect of the borrowers whose secured assets have been taken into possession by the REs under the Act.

To enable banks to have current instructions at one place, a Master Direction incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the banks.

[Link - Master Direction](#)

Insolvency and Bankruptcy Case Laws

TAPADIA POLYESTERS PVT. LTD. VS. SALES TAX OFFICER PROFESSIONAL TAX OFFICER & ANR.

NCLAT New Delhi – JUDGEMENT DATED: 22ND AUGUST 2023

“Even an attachment of assets was made prior to initiation of CIRP and continued even during the Liquidation Process, Sales Tax Department cannot be the owner of the assets and the asset continued to be owned by the Corporate Debtor and will be part of the Liquidation Estate”.

FACTS OF THE CASE

- To recover the dues of the Sales Tax Department of the State of Maharashtra, an attachment Orders were passed on 28.05.2015 attaching the assets of the Corporate Debtor. The Attachment Order continued; however, the asset could not be sold by the Sales Tax Department.
- Liquidation commenced on 20.07.2018 in which liquidation proceedings, the claim was filed by the Sales Tax Officer, which claim to the extent of Rs. 101.87 Crore was admitted by the Liquidator.
- In the liquidation proceeding, the Liquidator proceed to issue Auction Notice on 01.08.2021 and Tapadia Polyesters Pvt. Ltd. was declared the Successful Bidder on 25.09.2021.
- An I.A. was filed by the Liquidator before the Adjudicating Authority praying for direction to the Sales Tax Officer to release the attachment on all three properties so as to enable the Applicant to continue the auction/private sale of the assets.
- The said Application were opposed by the Sales Tax Department and the Adjudicating Authority by the Impugned Order passed on 10.02.2023 rejected the Application.

DECISION OF THE APPELLATE TRIBUNAL

- Even when there is attachment of the assets, Sales Tax Department cannot be the owner of the assets and the asset continued to be owned by the Corporate Debtor and will be part of the Liquidation Estate.
- The Adjudicating Authority committed error in rejecting the I.A. filed by the Liquidator relying on the Judgment of Hon'ble Supreme Court in “M/s. Embassy Property Development Pvt. Ltd.” which judgment has no application in the facts of the present case. We thus are of the view that the Order of the Adjudicating Authority in the Appeal cannot be sustained. Order dated 10th April, 2023 is set aside. I.A. No. 1300 of 2020 filed by the Liquidator is allowed. Let attachment be released by the Respondent so as to take further steps in the liquidation. Both the Appeals are allowed accordingly.

VINAY JAIN VS. AVJ DEVELOPERS (INDIA) PVT. LTD.

NCLAT NEW DELHI – JUDGEMENT DATED: 23RD AUGUST 2023

“Can Adjudicating Authority defer the Resolution Plan approval application holding that it can be taken only after PUFE/avoidance transaction applications are decided?”

Insolvency and Bankruptcy Case Laws

FACTS OF THE CASE:

- On 06.04.2021, Erstwhile Resolution Professional of the Corporate Debtor filed I.A. No. 1690 of 2021 alleging preferential, undervalued and fraudulent transactions by the Suspended Director of the Corporate Debtor.
- The Appellant requesting the erstwhile RP to allow the Appellant to register the Respondent Company as an MSME under the MSME Act, 2006 which was considered by the CoC in its 10th CoC Meeting held on 17.06.2021 and approved by 74.3% vote. The Resolution Professional was permitted to register the Company as MSME.
- On 03.07.2021, MSME Certificate was granted to the Corporate Debtor.
- Resolution Plan of the Appellant was placed before the CoC which was approved with 72.66% vote share.
- On 09.11.2021, Erstwhile Resolution Professional filed I.A. No. 5385 of 2021 praying for approval of Resolution Plan of the Appellant.
- The Adjudicating Authority on 12.04.2023 passed the impugned order directing PUFEE Transaction Application being I.A. No. 1960 of 2021 shall be heard first and Plan Approval Application I.A. No. 5385 of 2021 shall be heard thereafter.
- The Appellant aggrieved by the Order dated 12.04.2023 has come up in this Appeal.

DECISION OF THE APPELLATE TRIBUNAL:

Taking into consideration the overall facts and circumstances of the present case, ends of justice will be served in disposing of this Appeal with following directions:

- i. The Adjudicating Authority shall proceed to consider the Resolution Plan Application being I.A. No. 5385 of 2021 and not to await the decision in PUFEE Applications.
- ii. The Adjudicating Authority shall decide the Plan Approval Application and shall also consider the eligibility of the Resolution Applicant which is an issue raised by the Intervener (IIFL Finance Limited).
- iii. It is open for the Adjudicating Authority to hear and decide Plan Approval Application i.e. 5385 of 2021 and PUFEE Application 1690 of 2021 (I.A. No. 2521/2023, I.A. No. 2386/2023, I.A. No. 2388/2023 & I.A. No. 2390/2023), simultaneously.
- iv. In event, the Resolution Plan Application is decided, it shall be open for the RP to file an I.A. seeking liberty of the Adjudicating Authority to prosecute the PUFEE Applications by RP instead of SRA looking to the facts of the present case.
- v. The Adjudicating Authority shall endeavour to decide the Applications at an early date.

Insolvency and Bankruptcy Case Laws

FACTS OF THE CASE:

•On 06.04.2021, Erstwhile Resolution Professional of the Corporate Debtor filed I.A. No. 1690 of 2021 alleging preferential, undervalued and fraudulent transactions by the Suspended Director of the Corporate Debtor.

SUPREME TRANSPORT ORGANIZATION PVT. LTD. VS. MAHARASHTRA AIRPORT DEVELOPMENT CO LTD.

NCLAT NEW DELHI- JUDGEMENT DATED: 23RD AUGUST 2023

“EMD submitted against a tender for services and the tender was rejected, the EMD is not an Operational Debt under IBC”

FACTS OF THE CASE

•The Appellant has applied for a tender which was issued by Maharashtra Airport Development Company Ltd. Along with tender the Appellant has also given earnest money deposit(EMD) of Rs.5 Lakhs and Rs.2 Lakhs. Both the tenders of the Appellant were rejected on 29.08.2018 and 30.08.2018. The claim of the Appellant was that his EMD is not refunded, hence, he filed Section 9 Application.

•The Adjudicating Authority, NCLT, Mumbai Bench-I came to the conclusion that the deposit of EMD in pursuance of the tender notice is not an operational debt and Section 9 application filed by the Appellant has been rejected.

DECISION OF THE APPELLATE TRIBUNAL:

•Present is a case where the Appellant was only a tenderer who has submitted EMD along with the tender which tender was admittedly rejected. The EMD payment by the Appellant was not towards any goods or services and the submission that in event the tender was accepted the Appellant would have provided services is far-fetched to accept the claim relating to goods and services.

•The facts of the present case are clearly distinguishable and the above judgment does not help the Appellant. We are of the view that no error has been committed by the Adjudicating Authority in rejecting Section 9 Application. Appeal is **dismissed**, accordingly.

•It is, however, open to the Appellant to take such steps as permissible in law.

Regulation	Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.	Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, Amendment 2023	Comments
Reg 5 - Qualifications and experience clause (b)	has completed a pre-registration educational course, as may be required by the Board, from an insolvency professional agency after his enrolment as a professional member	has completed a pre-registration educational course, within twelve months from the date of payment of non-refundable application fee under regulation 6 as may be required by the Board, from an insolvency professional agency after his enrolment as a professional member	After the words “pre-registration educational course”, the words “within twelve months from the date of payment of non-refundable application fee under regulation 6” has been added
Reg 6- Application for certificate of registration sub-regulation (1),	(1) An individual enrolled with an insolvency professional agency as a professional member may make an application to the Board in Form A of the Second Schedule to these Regulations, along with a non-refundable application fee of [twenty] thousand rupees to the Board.	(1) An individual enrolled with an insolvency professional agency as a professional member may make an application to the Board through the insolvency professional agency of which he is a member, in Part – II of Form A of the Second Schedule to these Regulations, along with a non-refundable application fee of twenty thousand rupees to the Board	Individual enrolled with an IPA as professional member have to make application to the Board through IPA of which he/she is a member.
Reg6- Application for certificate of registration sub-regulation (1A),	(1A) An insolvency professional entity eligible for registration as an insolvency professional under sub-regulation (2) of regulation 4 may make an application to the Board in Form AA of Second Schedule along with a non-refundable application fee of two lakh rupees	(1A) An insolvency professional entity eligible for registration as an insolvency professional under sub-regulation (2) of regulation 4 may make an application to the Board through the insolvency professional agency of which it is a member, in Part – II of Form AA of Second Schedule to these Regulations, along with a non-refundable application fee of two lakh rupees to the Board.”	IPE which is eligible for registration as IP shall make an application to the Board through IPA in which it is a member
Reg 6 -Application for certificate of registration sub-regulation (2),	The Board shall acknowledge an application made under this Regulation within seven days of its receipt.	The insolvency professional agency shall acknowledge an application made under this Regulation within seven days of its receipt.	The IPA shall acknowledge an application made within seven days of its receipt

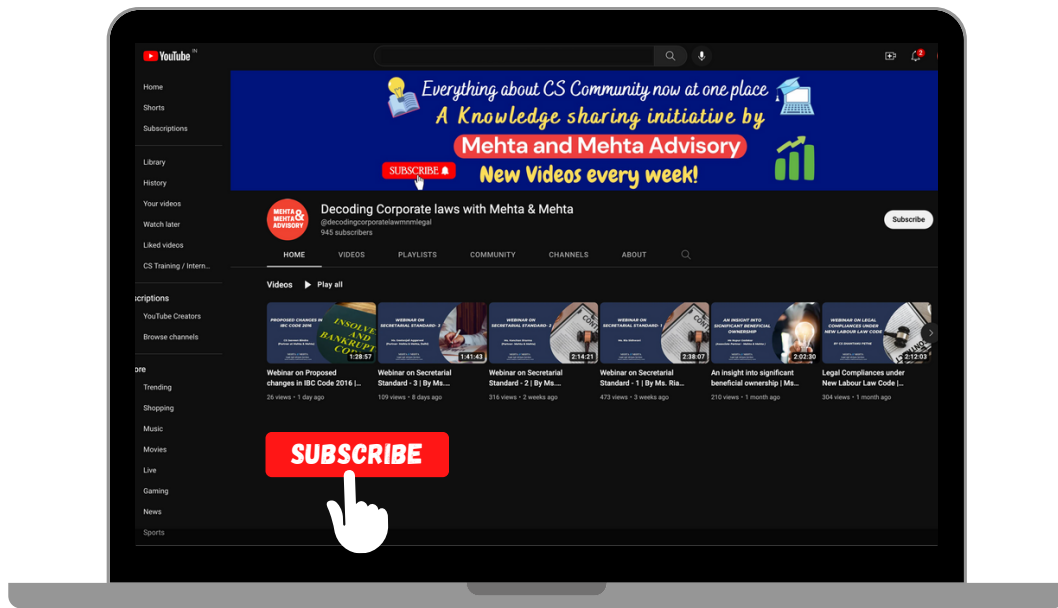
<p>Reg 6 -Application for certificate of registration sub-regulation (2A),newly inserted</p>		<p>The insolvency professional agency shall verify and forward the application to the Board within thirty days from the date of payment of fee under sub-regulations (1) or (1A), as the case may be, excluding the time given by the insolvency professional agency to the professional member for submitting additional documents, information, or clarification, as the case may be</p>	<p>The IPA shall verify and forward it to the Board the application within thirty days from the date of payment of fees</p>
<p>Reg 7 - Certificate of registration. sub-regulation (1)</p>	<p>If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, it may grant a certificate of registration to the applicant to carry on the activities of an insolvency professional in Form B of the Second Schedule to these Regulations, within sixty days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarification, or appearing in person, as the case may be</p>	<p>If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, it may grant a certificate of registration to the applicant to carry on the activities of an insolvency professional in Form B of the Second Schedule to these Regulations, within thirty days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarification, or appearing in person, as the case may be</p>	<p>The words “sixty days” shall be substituted with the words “thirty days”.</p>
<p>Reg 8- Refusal to grant certificate sub regulation (2)</p>	<p>The communication under sub-regulation (1) shall be made to the applicant within forty five days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarifications, or appearing in person, as the case may be.</p>	<p>The communication under sub-regulation (1) shall be made to the applicant within thirty days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarifications, or appearing in person, as the case may be.</p>	<p>The words “forty five days” shall be substituted with the words “thirty days”</p>
<p>Reg 10 – in clause (c)</p>	<p>revokes the suspension of an authorisation for assignment; or</p>	<p>revokes the suspension of an authorisation for assignment; or</p>	<p>The word “or” is omitted.</p>

<p>After clause d new clause is inserted</p>		<p>(e) accepts the application for surrender of membership and strikes the name of the professional member from its registers;</p> <p>(f) expels the professional member; or</p> <p>(g) receives intimation of demise of an individual or winding up or dissolution of a company, limited liability partnership or registered partnership firm and strikes the name of the professional member from its registers</p>	<p>IPA shall notify the board upon accepting an application for membership surrender and removing IP's name from its registers.</p> <p>IPA shall also notify when it expels any professional member.</p> <p>IPA shall also notify the intimation of demise of an individual or winding up or dissolution of a company, limited liability partnership or registered partnership firm and strikes the name of the professional member from its registers</p>
<p>Reg 10 A - Surrender of certificate of registration newly inserted</p>		<p>(1) An insolvency professional may surrender its certificate of registration by making a request to the Board, in writing along with the certificate of registration in original.</p> <p>(2) If the Board is satisfied, it may accept the request for surrender of certificate of registration within thirty days of its receipt and upon acceptance, the registration of such insolvency professional shall stand cancelled.</p> <p>(3) On and from the date of cancellation of certificate of registration, the concerned person shall not represent itself to be a holder of the certificate for carrying out the activity for which such certificate had been granted</p>	<p>Reg 10 A is newly inserted which specifies the procedure for surrender of certificate of registration.</p>
<p>Reg 10B - Special procedure for action on surrender, expulsion, etc. Newly inserted</p>		<p>(1) While disposing of the matter under this regulation, the Board shall not be bound by the procedure specified in regulation 11.</p> <p>(2) On receipt of information under clause</p>	<p>This regulation specify the procedure for action on surrender, expulsion etc.</p>

		<p>(e) and (f) of sub-regulation (1) of regulation 10, the Board may issue a notice, if required, to such professional member, calling upon it to explain as to why the certificate of registration, granted under the regulations, should not be cancelled.</p> <p>(3) The professional member may make written submission(s), if any, within a period not exceeding twenty-one days from the date of service of notice.</p> <p>(4) On being satisfied with the submission(s) made under sub-regulation (3), the Board may decide to cancel the registration or issue directions to complete the ongoing assignments, make pending compliances including payment of fee, etc.</p> <p>(5) The Board shall communicate its decision under sub-regulation (4) within thirty days from date of receipt of written submissions under sub-regulation (3).</p> <p>(6) On receipt of information under clause (g) of sub-regulation (1) of regulation 10, the registration of such insolvency professional with the Board shall be deemed to have been cancelled from the date of demise or winding up or dissolution, as the case may be.</p> <p>(7) On and from the date of cancellation of the certificate of registration, under this regulation, the legal heirs or assignee of the insolvency professional shall take</p>	
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		steps for delivery of any record(s) or document(s) or assets that may be in its custody or control, within the time period and in the manner, as may be required under the relevant regulations or as may be directed by the Board	
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Significance and Increasing Role of Company Secretary

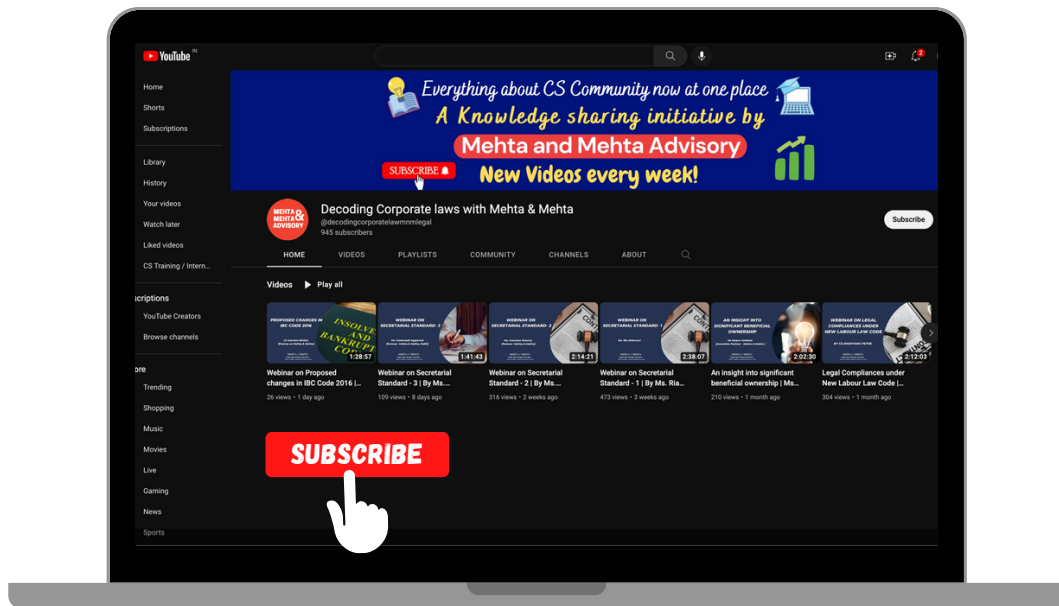


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