

WEEKLY CORPORATE UPDATES

Saturday 07th January, 2023

(Curated & compiled by)

Team Indiacorp Law

Headed by:

Adv. (CS) Alok Kumar Kuchhal, M. Com, LL.B., FCS, Insolvency Professional

Disclaimer:

Whilst we endeavour to ensure that the information in the newsletter is correct, we do not warrant or represent its completeness or accuracy.

The information contained in this newsletter is provided by M/s Indiacorp Law, Solicitors and Advocates as a service/promotion to its users, subscribers, customers and possible others. It does not contain (legal) advice. Although we try to provide quality information, we do not guarantee of results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance for a particular purpose.

In no way M/s Indiacorp Law, Solicitors and Advocates is liable to user or any other party for any damages, costs of any character including but not limited to direct or indirect, consequential, incidental or other costs or damages, via the use of the information contained in the newsletters

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

MCA UPDATES

Roll out of various MCA Forms from V2 to V3

Dated: 5th January, 2023

The Ministry of Corporate Affairs vide issuing an important update has informed that the Company Incorporation forms (Spice + Part A, Part B & RUN) will be available for filing purposes in V2 till 06th January 12:00 PM. These forms will be enabled on V3 portal from 09th January 2023 00:00 Hours. Remaining 45 forms will be available for filing purposes in V2 till 06th January 11:59 PM. These forms will be enabled on V3 portal from 23rd January 2023 00:00 Hours. PAS-3 form will be available for filing purposes in V2 till 19th January 11:59 PM and will be enabled on V3 portal from 23rd January 2023 00:00 Hours.

Related Link: <https://www.mca.gov.in/content/mca/global/en/home.html>

SEBI UPDATES

Adani lifts payout for NDTV open offer to match payment to founders

Dated: 03rd January, 2023

Adani Enterprises said it will raise the amount it pays New Delhi Television Ltd. stockholders who tendered their shares in the conglomerate's open offer to match what it paid the news broadcaster's founders for their stake. Adani Enterprises said it will pay an additional 48.65 rupees per NDTV share to investors who sold their shares in an open offer between November 22 and December 05, taking the payout to 342.65 rupees per share and matching what it paid NDTV founders Radhika and Prannoy Roy. About 5.3 million shares were tendered in the open offer, at 294 rupees per share, and Indian billionaire Gautam Adani now controls about 65% of NDTV after acquiring a 27.26% stake from the Roys last week, four months after launching his takeover.

Related Link: <https://economictimes.indiatimes.com/markets/stocks/news/adani-lifts-payout-for-ndtv-open-offer-to-match-payment-to-founders/articleshow/96701980.cms?from=md>

Government exempts PSUs from minimum public float rules

Dated: 03rd January, 2023

The government has exempted public sector entities from the Minimum Public Shareholding (MPS) norm which mandates at least 25 per cent public float for all listed companies. The exemption would apply on these entities regardless of the government's direct or indirect holding. The exemption from MPS norm will be valid for a "specified period" even if there is a change in ownership or control after the exemption is granted, a Gazette notification said. The notification exempts "any listed entity in which the Central Government or State Government or public sector company, either individually or in any combination with other, hold directly or indirectly, majority of the shares or voting rights or control of such listed entity, from any or all of the provisions of this rule (MPS norms)."

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Related Link: https://timesofindia.indiatimes.com/business/india-business/govt-exempts-psus-from-minimum-public-float-rules/articleshow/96714774.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Byju's founder raising funds to buy back as much as 15% of firm

Dated: 04th January, 2023

Byju Raveendran, the founder of the world's most valuable edtech startup Byju's, is in financing talks to lift his stake in the company to as high as 40%, people familiar with the matter said. The former teacher is seeking funding to finance the stake repurchases which could amount to as much as 15% of the firm by using his shares as collateral, according to the people. Founded in 2015 and formally known as Think & Learn Pvt., the Bangalore-headquartered startup shelved plans for a stock-market debut as global markets slumped last year. Raveendran has about a 25% stake and prominent other investors include the Chan Zuckerberg Initiative, Sequoia Capital India, Blackrock Inc. and Silver Lake. For details: <https://www.moneycontrol.com/news/business/byjusfounder-looking-to-buy-back-up-to-15-in-company-report9809691.html>

SEBI extends relaxation on dispatching hard copies of financial statements

Dated: 04th January, 2023

SEBI extended the relaxation to listed companies from dispatching of physical copies of financial statements till September 30, 2023. The earlier extension was till December 31, 2022. SEBI extension comes after the Ministry of Corporate Affairs has also provided similar relaxations to companies dispatching physical copies of financial statements, including board's report, auditor's report or other documents to shareholders through a circular on December 28, 2022. However, firms will be required to send hard copy of annual reports to those shareholders who request for the same. SEBI also requires companies to disclose the web-link to the annual report so as to enable shareholders to have access to the full annual report.

Related Link: https://www.business-standard.com/article/markets/sebi-extends-relaxation-on-dispatching-hard-copies-of-financial-statements-123010501237_1.html

SEBI nod to reclassify government holding in IDBI Bank as 'public' after sale

Dated: 06th January, 2023

In a major dispensation, capital markets regulator SEBI acceded to the central government's request to reclassify its shareholding in IDBI Bank after its disinvestment as "public holding". This is subject to the condition that the government's voting rights in the bank will not exceed 15 per cent of the total voting rights after the sale. Also, the government must specify its intention to reclassify its shareholding in the bank as "public holding" in the letter of offer dispatched to the shareholders of the bank in connection with the open offer made by the acquirer.

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Related Link: https://www.business-standard.com/article/finance/sebi-gives-nod-to-reclassify-govt-sstake-in-idbi-bank-as-public-holding-123010501129_1.html

Time till Jan-end for entering details of non-convertible securities: SEBI

Dated: 05th January, 2023

SEBI extended the timeline till January-end for entering the details of existing outstanding non-convertible securities in the security and covenant monitoring system hosted by depositories. Earlier, this was to be complied by October 31, 2022. This is the second time SEBI has extended the deadline to comply with the rules. Earlier, the deadline was September 2022, which was extended to October 2022. The regulator, in August 2021, asked depositories to use blockchain technology to record and monitor security creation as well as covenants of non-convertible securities.

Related Link: https://www.business-standard.com/article/markets/time-till-jan-end-for-enteringdetails-of-non-convertible-securities-sebi-123010501401_1.html

Limited relaxation –dispatch of physical copies of financial statements etc. –Regulation 58 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dated: 05th January, 2023

Circular No.: SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001

SEBI vide Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had inter-alia,relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) related to dispatch of hard copy of Annual Report to debenture holders, pursuant to relaxations granted by the Ministry of Corporate Affairs (MCA).Thereafter, vide Circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022,the said relaxations were extended till December 31, 2022.2.MCA vide Circular dated December 28, 2022has,inter-alia,now extended the relaxations from dispatching of physical copies of financial statements due in theyear 2023 (i.e. till September 30, 2023).3.Considering the above, it has been decided to relaxup to September 30, 2023, the requirements of Regulation 58 (1)(b) of the Listing Regulations which prescribes that an entity with listed non-convertible securities shall send a hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not registered their email address(es) either with the listed entity or with any depository.4.This Circular shall come into force with immediate effect. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all entities with listed non-convertible securities and disseminate on their websites.5.The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of the Listing Regulations.

Related Link: https://www.sebi.gov.in/legal/circulars/jan-2023/limited-relaxation-dispatch-of-physical-copies-of-financial-statements-etc-regulation-58-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_67033.html

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Extension of timelines for entering and verification of the details of the existing outstanding non-convertible securities in the 'Security and Covenant Monitoring' system hosted by Depositories

Dated: 05th January, 2023

Circular No.: SEBI/HO/DDHS/RACPOD1/CIR/P/2023/003

SEBI vide Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2021/618 dated August 13, 2021 specified the manner of recording of charges by Issuers and manner of monitoring and other responsibilities of stakeholders for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT). Further, vide circular SEBI/HO/MIRSD/CRADT/CIR/P/2022/38 dated March 29, 2022 the Operating Guidelines of the said system using DLT, including roles and responsibilities of the various stakeholders involved, were specified. 2. Pursuant to receipt of representations from depositories for extension in the timeline of entering the legacy data being requested by the issuers, para 8.d of the SEBI Circular dated March 29, 2022 was accordingly modified providing that for existing outstanding non-convertible securities, issuers shall ensure that they enter the details into the system on or before October 31, 2022 and Debenture Trustees (DTs) shall verify the same by December 31, 2022. 3. SEBI is in receipt of further representations from DTs citing operational/ technical difficulties owing to the advanced nature of the technology involved and seeking extension of timeline for verifying the entries made by issuer. Accordingly, it has been decided that for existing outstanding non-convertible securities, issuers shall ensure that

Page 2 of 2 they enter the details into the system on or before January 31, 2023 and DTs shall verify the same by February 28, 2023. DTs shall submit a fortnightly progress report of status of compliance regarding the details pertaining to existing outstanding non-convertible securities being entered in the system by the issuers and verification of the same by DT, till the extension of the timeline for compliance is in place. The progress report shall be submitted within five days of the end of the fortnight. 4. This circular is issued in exercise of the powers conferred upon SEBI under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 2A of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Regulation 55 of the Securities and Exchange Board of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021, Regulation 29 of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, Regulation 48 of SDI Regulations, 2008 and Regulation 20 of SEBI (Credit Rating Agencies) Regulations, 1999 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

Related Link: https://www.sebi.gov.in/legal/circulars/jan-2023/extension-of-timelines-for-entering-and-verification-of-the-details-of-the-existing-outstanding-non-convertible-securities-in-the-security-and-covenant-monitoring-system-hosted-by-depositories_67045.html

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Management and advisory services by AMCs to Foreign Portfolio Investors

Dated: 06th January, 2023

Circular No.: SEBI/HO/IMD/IMD-POD1/P/CIR/2023/005

1. SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/155 dated December 16, 2019 specifies the categories of Foreign Portfolio Investors (FPIs), to which the AMCs may provide management and advisory services in terms of Regulation 24(b) of SEBI (Mutual Funds) Regulations, 1996. Accordingly, AMCs may provide management and advisory services to FPIs operating from International Financial Services Centres (IFSC) and regulated by International Financial Services Centers Authority (IFSCA) and falling under the categories specified in the aforementioned SEBI circular.

2. In consultation with IFSCA and based on the requests received from AMCs, it has been decided that AMCs may also provide management and advisory services to FPIs operating from IFSC and regulated by IFSCA, not falling under the categories of FPIs specified under para 2(i) of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/155 dated December 16, 2019, subject to the following:

2.1. Such FPI shall be allowed to invest in mutual fund schemes other than the schemes in the category of "thematic" as defined in SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017

2.2. For investment in equity and equity derivative securities listed on recognized stock exchanges in India, such FPI shall not take contra-position for a period of six months from the date of purchase or sale of such securities.

3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

Related Link: https://www.sebi.gov.in/legal/circulars/jan-2023/management-and-advisory-services-by-amcs-to-foreign-portfolio-investors_67064.html

RBI UPDATES

Launch of Utkarsh 2.0 – Reserve Bank of India's Medium-term Strategy Framework

Dated: 30th December, 2022

The Reserve Bank of India's Medium-term Strategy Framework for the period 2023- 2025 – 'Utkarsh 2.0' – was launched on December 30, 2022 by Shri Shaktikanta Das, Governor, RBI. The first strategy framework (Utkarsh 2022) covering the period 2019-2022 was launched in July 2019. It became a medium-term strategy document guiding the Bank's progress towards realisation of the identified milestones. Utkarsh 2.0 harnesses the strengths of Utkarsh 2022 by retaining the six Vision statements as well as Core Purpose, Values, and Mission statement. Collectively, they create a strategic guiding path.

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Related Link: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54970

Individual Housing loans – Revised limits under four-tiered regulatory framework

Dated: 30th December, 2022

*It has been decided to specify the limits on housing loans sanctioned by Urban Cooperative Banks (UCBs) to an individual borrower as ₹60 lakh for Tier-1 UCBs and ₹140 lakh for UCBs categorised in Tier-2 to 4. Other terms and conditions of the circular *ibid*, remain unchanged. The limits prescribed under this circular are effective from the date of this circular. However, existing housing loans sanctioned prior to the date of this circular, which may be in breach of the ceiling, will be allowed to run off till maturity.*

Related Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12432&Mode=0>

RBI releases 2022 list of Domestic Systemically Important Banks (D-SIBs)

Dated: 03rd January, 2023

The Reserve Bank had issued the Framework for dealing with Domestic Systemically Important Banks (D-SIBs) on July 22, 2014. The D-SIB framework requires the Reserve Bank to disclose the names of banks designated as D-SIBs starting from 2015 and place these banks in appropriate buckets depending upon their Systemic Importance Scores (SISs). The Reserve Bank had announced SBI and ICICI Bank as DSIBs in 2015 and 2016. Based on data collected from banks as on March 31, 2017, HDFC Bank was also classified as a D-SIB, along with SBI and ICICI Bank.

Related Link: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54979

Outstanding microfinance loan portfolio to rise 20.3% in FY23 in India: MFIN

Dated: 03rd January, 2023

Outstanding loan portfolio of the Micro-Finance Institution (MFI) sector across India will increase around 20.3% at Rs. 3.25 lakh crore in 2022-23 compared to the previous fiscal, said the MFIN, a Self-Regulatory Organisation (SRO) recognized by RBI.

Related Link: <https://www.livemint.com/industry/banking/outstanding-microfinance-loan-portfolio-to-rise-20-3-in-fy23-in-india-mfin-11672754387129.html>

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

HDFC assigns Rs. 8,892 crore in loans to HDFC Bank

Dated: 04th January, 2023

Housing Development Finance Corporation (HDFC) on January 03, 2022 said that it has assigned loans of up to Rs. 8,892 crore in the quarter ended December 31, higher by 19% compared to previous year. In Q3 FY22, HDFC had assigned loans of Rs. 7,468 crore to the bank. HDFC assigned loans of up to Rs. 35,937 crore in the 12 months ended December 31. The company also earned a gross income of Rs. 482 crore from dividend in Q3 FY23.

Related Link: <https://www.financialexpress.com/industry/banking-finance/hdfc-assigns-rs-8892-crore-in-loans-to-hdfc-bank/2935693/>

SBI board nod to raise 10K cr via infra bonds in FY23

Dated: 04th January, 2023

The executive committee of the central board of State Bank of India (SBI) has approved the proposal to raise up to Rs. 10,000 crore by issuing infrastructure bonds in 2022-23 (April-March), the bank said in an exchange filing on January 03, 2022. The bonds will be issued through a public issue or a private placement basis. On Thursday, the bank's board announced that it will meet to seek approval for raising the said money by issuing the bonds.

Related Link: <https://www.financialexpress.com/industry/banking-finance/sbi-board-nod-to-raise-10kcr-via-infra-bonds-in-fy23/2935642/>

RBI releases Annual Report of Ombudsman Schemes, 2021-22

Dated: 04th January, 2023

The Reserve Bank of India (RBI) released the Annual Report of the Ombudsman Schemes for the period April 01, 2021 – March 31, 2022 on January 04, 2023. With the year also marking the launch of Reserve Bank – Integrated Ombudsman Scheme (RB-IOS) on November 12, 2021, the Annual Report covers the activities under the erstwhile Ombudsman Schemes i.e., Banking Ombudsman Scheme, 2006 (BOS), the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (OSNBFC), and the Ombudsman Scheme for Digital Transactions, 2019 (OSDT) upto November 11, 2021, along with the activities under RB-IOS, 2021 since November 12, 2021. The report also captures major developments during the year and the way forward in the area of consumer protection.

Related Link: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54989

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Turnaround of PSBs: A story from doom to bloom; journey towards Rs. 1 lakh crore profit

Dated: 04th January, 2023

Public Sector Banks (PSBs) have travelled a long distance since 2017 when they posted a net loss of Rs. 85,390 crore to a profit of Rs. 66,539 crore in FY22 and are estimated to touch a milestone of Rs. 1 lakh crore by the end of the current fiscal. There was a time when 11 out of 21 PSBs were placed under the prompt corrective framework of the Reserve Bank due to deteriorating financial health on account of mounting bad loans to alarming levels of 14.58 per cent of the total credit.

Related Link: <https://economictimes.indiatimes.com/industry/banking/finance/banking/turnaroundof-psbs-a-story-from-doom-to-bloom-journey-towards-rs-1-lakh-crprofit/articleshow/96738598.cms>

CBI charge sheets CG Power, ex-promoter Thapar in Rs. 2,435-cr fraud case

Dated: 04th January, 2023

The CBI has filed a charge sheet against CG Power and Industrial Solutions and its former promoter Gautam Thapar in an alleged Rs. 2435-crore bank fraud case that affected 12 banks, officials said. This comes after the agency conducted a probe for nearly 19 months into the allegations of diversion of bank funds, and manipulation of account books among other charges against the company, Thapar and other senior executives, they said.

Related Link: https://www.business-standard.com/article/companies/cbi-chargesheets-cg-power-expromoter-thapar-in-rs-2-435-cr-fraud-case-123010401140_1.html

M&M Financial: RBI lifts ban on recovery via 3rd-party agents

Dated: 05th January, 2023

The Reserve Bank of India (RBI) on January 04, 2023 allowed Mahindra and Mahindra Financial Services (M&M Financial) to resume loan recovery and repossession activities through third parties. The RBI has informed M&M Financial of its decision to lift restrictions following submissions made by the company, its commitment to strengthen recovery practices and outsourcing arrangements, tighten the process of on-boarding third party agents and strengthen accountability framework, the nonbanking financial company said in an exchange filing.

Related Link: <https://www.financialexpress.com/industry/banking-finance/mm-financial-rbi-liftsban-on-recovery-via-3rd-party-agents/2937004/>

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Periodic Updation of KYC details of Customers

Dated: 05th January, 2023

The Reserve Bank has, from time to time, taken measures to rationalize the KYC related instructions taking into account the available technological options for enhancing customers' convenience within the framework prescribed under the Prevention of Money Laundering Act, 2002 (PMLA) and rules framed there under. The process for the periodic updation of KYC (re-KYC) was simplified in May 2021. As the banks are mandated to keep their records up-to-date and relevant by undertaking periodic reviews and updations, a fresh KYC process / documentation may have to be undertaken in certain cases including where the KYC documents available in bank records do not conform to present list of the Officially Valid Documents or where the validity of the KYC document submitted earlier may have expired. In such cases, the banks are required to provide an acknowledgement of the receipt of the KYC documents / self-declaration submitted by the customer. Fresh KYC process can be done by visiting a bank branch, or remotely through a Video based Customer Identification Process (V-CIP) (wherever the same has been enabled by the banks).

Related Link: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54998

Traction in consumer durable loans likely to continue: Lenders

Dated: 06th January, 2023

Consumer durable loans, which saw healthy growth in the July-September quarter, are likely to see a good growth rate in the coming quarters as well, say lenders. Typically, consumer durable loans are short-term unsecured loans that are availed to purchase everyday items like washing machines, air conditioners, televisions, microwaves, furniture and others.

Related Link: <https://www.financialexpress.com/industry/banking-finance/traction-in-consumerdurable-loans-likely-to-continue-lenders/2938261/>

IBC & NCLT UPDATES

Lease rent shall be treated as an asset of corporate debtor and RP is empowered to move an application for recovery: NCLAT

Dated: 02nd January, 2023

Where pursuant to a tripartite agreement respondent was to deposit lease rent payable to corporate debtor in escrow account of bank but respondent failed to pay same, which led to insolvency of corporate debtor, lease rent was an asset of corporate debtor and RP was empowered to move an application before NCLT for payment of same.

Related Link: <https://www.taxmann.com/research/ibc/top-story/101010000000325915/lease-rent-shall-be-treated-as-an-asset-of-corporate-debtor-and-rp-is-empowered-to-move-an-application-for-recovery-nclat-caselaws>

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Sec. 10A is capable of suspending CIRP only against corporate debtor during COVID and not against personal guarantor: NCLAT

Dated: 04th January, 2023

Section 10A is capable of suspending initiation of CIRP only against corporate debtor for a period between 25-3-2020 to 24-3-2021 and if legislature intended to suspend initiation of CIRP against personal guarantor as well, a similar amendment to IBC was required and, therefore, NCLT had rightly admitted application filed by financial creditor under section 95 against personal guarantor.

Related Link: <https://www.taxmann.com/research/ibc/top-story/101010000000325616/sec-10a-is-capable-of-suspending-cirp-only-against-corporate-debtor-during-covid-and-not-against-personal-guarantor-nclat-caselaws>

CIRP plea filed by officer of financial creditor through PoA shall be accepted, if resolution passed for such Authority: NCLAT

Dated: 05th January, 2023

Where corporate debtor challenged application filed under section 7 on ground that same was not filed by an authorized person, board director of financial creditor-bank by resolution had authorized its officer to do needful in legal proceedings and, therefore, application filed under section 7 was maintainable.

Related Link: <https://www.taxmann.com/research/ibc/top-story/101010000000326734/cirp-plea-filed-by-officer-of-financial-creditor-through-poa-shall-be-accepted-if-resolution-passed-for-such-authority-nclat-caselaws>

NCLAT upholds NCLT order dismissing Wave Megacity's plea to initiate insolvency proceedings against itself

Dated: 05th January, 2023

The NCLAT on Thursday upheld an order of NCLT which dismissed a plea by real estate firm Wave Megacity Centre to initiate insolvency proceedings against itself and imposed a fine of Rs 1 crore. The insolvency appellate tribunal observed that the company's plea to initiate insolvency proceedings against itself under Section 10 of the IBC was with "malicious purpose" and "was to save the Corporate Debtor from liabilities, responsibilities and prosecution".

In June last year, the Delhi-Principal bench of the National Company Law Tribunal (NCLT) rejected the plea filed by Wave Megacity Centre, which is developing commercial and residential projects in sectors 25A and 32 of Noida, Uttar Pradesh.

NCLT had also allowed the plea filed by 33 homebuyers under Section 65 of the Insolvency and Bankruptcy Code (IBC) to reject the company's application filed under Section 10 of the Code.

Related Link: <https://economictimes.indiatimes.com/industry/services/property/-/cstruction/nclat-upholds-nclt-order-dismissing-wave-megacitys-plea-to-initiate-insolvency-proceedings-against-itself/articleshow/96771803.cms>

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)

Thanking You,

Team Indiacorp

0120 - 421 4372, 9810894275, 8826016751

indiacorp@live.com, csaloknoida@gmail.com, info@indiacorplaw.com

www.indiacorplaw.com

Disclaimer:

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither India Corp Law nor any other member of the India Corp Law organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

Concerns:

M/s Indiacorp Law, Advocates & Solicitors, Noida & Jangpura Extension (New Delhi)