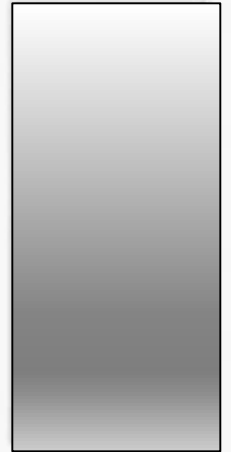


LEGALITE ADVISORS

IMPORTANT LEGAL UPDATES FOR JANUARY, 2021



Companies Act

- ❑ **The Ministry of Corporate Affairs (“MCA”) – general circular no. 04/2021 on relaxation on levy of additional fees in filing of e-forms AOC-4, AOC-4(CFS), AOC-4 – XBRL and AOC-4 – non-XBRL for the financial year ended on 31.03.2020, under the Companies Act, 2013 (“Act”), dated January 28, 2021 (“Circular”).**
 - The MCA, *vide* the Circular, has accorded relaxation on levy of additional fees for filing of annual financial statements required to be done for financial year ended on March 31, 2020. Accordingly, no additional fees shall be levied on filing of e-forms AOC-4, AOC-4(CFS), AOC-4 – XBRL and AOC-4 – non-XBRL for the financial year ended on March 31, 2020, upto February 15, 2021.
 - **Link of the Circular.**
http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.4_29012021.pdf

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – notification no. GSR...(E) (*yet to be published in official gazette*) on the Companies (Incorporation) Amendment Rules, 2021 (“Amendment Rules”) as an amendment to the Companies (Incorporation) Rules, 2014 (“Principal Rules”), dated January 25, 2021 (“Notification”).**
 - The MCA, *vide* the Notification, has further amended the Principal Rules, which shall come into force from the date of publication in the official gazette.
 - The Amended Rules provides that the regional director (“RD”) shall, while considering the application for conversion of a company from public into private company, if he is satisfied that the conversion would not be against the interests of the company or is not being made with a view to contravene or to avoid complying with the provisions of the Companies Act, 2013 (“Act”), shall allow it. The conversion shall not be allowed if any inquiry, inspection or investigation has been initiated against the company or any prosecution is pending against the company under the Act. Where an objection has been received against allowing the conversion, the RD shall hold hearings within a period of 30 (thirty) days and shall pass an order either approving or rejecting the application along with the reasons within 30 (thirty) days from the date of hearing.
 - The aforesaid amendment ensures elimination of deemed approval after 30 (thirty) days from the date of hearing, if no order is passed by RD within 30 (thirty) days from the date of hearing. It further eases the conversion of the company by eliminating extra-ordinary powers conferred on the RD to reject the application where no consensus is received provided there should not be pending prosecution against the company.

Companies Act (Contd...)

- **Link of the Notification.**

http://www.mca.gov.in/Ministry/pdf/CompaniesAmendmentRules_25012021.pdf

Companies Act (Contd...)

- ❑ **The Ministry of Corporate Affairs (“MCA”) – notification no. G.S.R. 40(E) on the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“Amendment Rules”) as an amendment to the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Principal Rules”) dated January 22, 2021 (“Notification”).**
 - The MCA, *vide* the Notification, has further amended the Principal Rules, which shall come into force from the date of publication in the official gazette i.e. January 22, 2021.
 - The major highlights of the Amended Rules are as under:
 - ✓ **CSR Implementation -**
 1. Per the Amendment Rules, the CSR activities can be undertaken by the company itself or through (i) a company established under section 8 of the Act, or (ii) a registered public trust or (iii) a registered society, established by the company itself or by the Central Government or State Government; or (iv) entity under an Act of Parliament or a State legislature; or (v) a section 8 company, or (vi) a registered public trust or a registered society, and having an established track record of at least 3 years in undertaking similar activities.
 2. The Amendment Rules require every entity which intends to undertake the CSR project or programme to register itself with the Central Government by filing the e-form CSR-1 with effect from April 01, 2021. A unique CSR registration number shall be generated by the system automatically.

Companies Act (Contd...)

3. A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
4. The Board of Directors of the company (“**Board**”) shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer or the person responsible for financial management shall certify to the effect. The Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any.

✓ **CSR Committee -**

1. The CSR Committee has been entrusted with a task to formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely :
 - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

Companies Act (Contd...)

- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board has also been given the power to alter the annual action plan in accordance with the CSR Committee's recommendation based on reasonable justification.

✓ **CSR Expenditure -**

1. The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.
2. Any surplus arising out of the CSR activities shall (i) not form part of the business profit of a company and (ii) be ploughed back into the same project or (iii) be transferred to the unspent CSR account and spent in pursuance of CSR policy and annual action plan of the company or (iv) be transferred to such surplus amount to a fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.
3. The Amendment Rules makes provision which gives an option to companies to set off any excess amount spent by it in immediate succeeding 3 financial years subject to the conditions that –

Companies Act (Contd...)

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board shall pass a resolution to that effect.
4. Under the Amendment Rules, a company is allowed to spend the CSR amount for creation or acquisition of a capital asset held by - (a) company established under section 8 of the Act, a registered public trust or a registered society, having charitable objects and CSR registration number; (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority.
- ✓ **CSR Reporting** - Per the Amendment Rules, companies having average CSR obligation of INR 10 crores or more in the 3 immediately preceding financial years, are required to undertake impact assessment, through an independent agency, of their CSR projects having outlays of INR 1 crore or more, and which have been completed not less than 1 year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. A company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or INR 50 lakhs, whichever is less.

Companies Act (Contd...)

- ✓ **Display of CSR Activities on website** - The Board of the company shall mandatorily disclose the composition of the CSR committee, and CSR policy and projects approved by the Board on their website, if any, for public access. This ensure transparency in CSR activities undertaken by the company.
- ✓ **Transfer of unspent CSR amount** - The Amendment Rule requires companies to transfer the unspent CSR amount to any fund already mentioned under Schedule VII till the 'Fund' by the Central Government referred to in Section 135(5) and 135(6) of Act is created or specified.
- **Link of the Notification.**
http://www.mca.gov.in/Ministry/pdf/CSRAmendmentRules_23012021.pdf

Companies Act (Contd...)

- ❑ **The Ministry of Corporate Affairs (“MCA”) – notification no. S.O. 324(E) on enactment of provisions of the Companies (Amendment) Act, 2020 (“Amendment Act”), dated January 22, 2021 (“Notification”).**
 - The Notification provides that provisions of section 21 of the Amendment Act, relating to Proxies, shall be notified *w.e.f.* January 22, 2021.
 - **Link of the Notification.**
http://www.mca.gov.in/Ministry/pdf/CommencementNotificationCAA_23012021.pdf

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – notification no. S.O. 325(E) on enactment of various provisions of the Companies (Amendment) Act, 2020 (“Amendment Act”), dated January 22, 2021 (“Notification”).**
- The Notification provides that the following provisions of the Amendment Act, shall be notified *w.e.f.* January 22, 2021:

Sr. No.	Section No.	Description
1.	2	Definition of a listed company;
2.	11	Further issue of share capital;
3.	18(c)	Declaration in respect of beneficial interest in any share;
4.	22(ii)	Resolutions and agreements to be filed;
5.	25	Periodical financial results;
6.	27	Corporate social responsibility;
7.	53	Application of act to foreign companies;
8.	55	Exemptions under the chapter - companies incorporated outside India;

Companies Act (Contd...)

Sr. No.	Section No.	Description
9.	58	Constitution of appellate tribunal;
10.	59	Benches of appellate tribunal;
11.	60	Establishment of special courts;
12.	62	Lesser penalties for one person companies or small companies;
13.	64	Punishment for wrongful withholding of property; and
14.	65	Adjudication of penalties.

- **Link of the Notification.**

http://www.mca.gov.in/Ministry/pdf/CommencementNotification_23012021.pdf

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – general circular no. 03/2021 on scheme for condonation of delay for companies restored on the Registrar of Companies between December 01, 2020 to December 31, 2020 u/s 252 (appeal to tribunal) of the Companies Act, 2013 (“Act”), dated January 15, 2021 (“Circular”).**
 - The MCA *vide* the Circular ruled out the blanket extension of Companies Fresh Start Scheme, 2020 (“**CFS Scheme**”) beyond December 31, 2020.
 - However, various representations were received by the MCA requesting for reliefs for companies that had preferred appeals under section 252 of the Act against the orders of striking off before the various benches of the National Company Law Tribunals (“**NCLT**”).
 - Since such companies could not avail the benefit of filing under CFS Scheme, the MCA has come up with a new scheme with the nomenclature ‘**Scheme for Condonation of delay for Companies restored on the Register of Companies between 01 December 2020 to 31 December 2020**’ (“**Scheme**”) in order to provide a benefit of waiver of additional fee on overdue filings in case of aforesaid companies.

Companies Act (Contd...)

- The details of the Scheme are as follows:
 - (i) The Scheme shall come into effect from February 01, 2021 and shall stay in effect upto March 31, 2021.
 - (ii) This Scheme is applicable only to the companies whose order of revival was issued by NCLT between December 01, 2020 to December 31, 2020.
 - (iii) Forms for which the Scheme is not applicable: a) e-form SH-7 for increase in authorized share capital; and b) charge related e-forms i.e. (CHG-1, CHG-4, CHG-8 & CHG-9).
- **Link of the Circular.**
http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.3_15012021.pdf

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – general circular no. 02/2021 on clarification on holding annual general meetings (“AGM”) virtually, dated January 13, 2021 (“Circular”).**
 - In extension to the MCA circular no 20/2020 dated May 5, 2020 (“**Circular-I**”) which allowed the companies to hold their extra-ordinary general meetings (“**EGM**”) through video conferencing (“**VC**”) or other audio-visual means (“**OAVM**”), the enclosed Circular permits companies, whose AGMs were to be held in the year 2020, or became due in the year 2021 to hold their AGMs on or before 31.12.2021, to hold their AGMs in accordance with para 3 and 4 of Circular-I.
 - The Circular clarifies that the said exoneration of holding AGMs through VC or OVAM shall not be construed as an extension of time period for holding AGMs by the companies under the Companies Act, 2013.
 - **Link of Circular.**
http://mca.gov.in/Ministry/pdf/GeneralCircularNo.02_14012021.pdf
 - **Link of the Circular – I.**
https://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf

Companies Act (Contd...)

- ❑ **The Ministry of Corporate Affairs (“MCA”) – general circular no. 01/2021 on clarification on spending of corporate social responsibility (“CSR”) funds for awareness and public outreach on COVID-19 vaccination programme, dated January 13, 2021 (“Circular”).**
 - The MCA had earlier in a circular dated March 23, 2020 issued a clarification stating that spending CSR funds for COVID-19 is an eligible CSR activity.
 - Pursuant to the Circular, MCA further clarified that the companies can now spend their CSR funds for COVID-19 as an eligible CSR activity under the schedule VII of the Companies Act, 2013 (“**Act**”), being activities which may be included by companies in their CSR policies activities.
 - Accordingly the companies can spend CSR funds for carrying out awareness campaigns/programmes or public outreach campaigns on COVID-19 vaccination programme which shall be an eligible CSR activity under item no. (i),(ii) and (xii) of schedule VII of the Act, relating to promotion of health care, including preventive health care and sanitization, promoting education, and, disaster management respectively. However, it is expected that companies may undertake the aforesaid activities subject to fulfilment of Companies (CSR Policy) Rules, 2014 and the circulars related to CSR, issued by MCA from time to time.
 - **Link of the Circular.**
http://www.mca.gov.in/Ministry/pdf/CSR2021_13012021.pdf

Securities Law

- **The Securities and Exchange Board of India (“SEBI”) – notification no. SEBI/LAD-NRO/GN/2021/06 on corrigendum to the Securities and Exchange Board of India (Investment Advisers) (Amendment) Regulations, 2021 (“SEBI Investment Advisers Amendment Regulations”) dated January 20, 2021 (“Corrigendum”).**
 - SEBI, *vide* the Corrigendum, amended the date of implementation of SEBI Investment Advisers Amendment Regulations, which shall now come into force on April 1, 2021.
 - **Link of the Corrigendum.**
https://www.sebi.gov.in/legal/regulations/jan-2021/corrigendum-to-the-securities-and-exchange-board-of-india-investment-advisers-amendment-regulations-2021_48848.html

Securities Law (Contd...)

- **The Securities and Exchange Board of India (“SEBI”) – circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 on relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) due to the CoVID - 19 pandemic dated January 15, 2021 (“Circular”).**
 - SEBI, *vide* the Circular, has provided relaxations with immediate effect, from compliance with certain provisions of the LODR Regulations in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode for listed entities, till December 31, 2021.
 - The Circular is *insync* with the circulars issued by the Ministry of Corporate Affairs providing relaxations to companies to conduct their extraordinary general meetings (‘EGM’) through video conferencing (‘VC’) or through other audio-visual means (‘OAVM’) upto June 30, 2021 and annual general meeting (‘AGM’) of companies due in the year 2021 upto December 31, 2021.
 - **Link to the Circular.**
https://www.sebi.gov.in/legal/circulars/jan-2021/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-pandemic_48790.html

Securities Law (Contd...)

□ **The Securities and Exchange Board of India (“SEBI”) – notification no. SEBI/LAD-NRO/GN/2021/04 on the Securities and Exchange Board of India (Investment Advisers) (Amendment) Regulations, 2021 as an amendment to Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (“Principal Regulations”) dated January 11, 2021 (“Notification”).**

- The Notification states that for the purpose of the grant of investment advisers’ registration certificate, SEBI shall take into account all matters which are relevant to the grant of the said registration certificate which *interalia* includes a criteria to determine whether the applicant is a member of a recognized body or body corporate recognized for the purpose of regulating investment advisers. Accordingly, regulation 6(n) has been inserted in the Principal Regulations as under:

“(n) Whether the applicant is a member of a recognized body or body corporate as specified under regulation 14: Provided that the existing investment advisers shall comply with the requirement under this clause in such manner as may be specified by the Board.”

- Further second schedule of the Principal Regulations, which specifies the registration fees to be paid for the registration, has been amended, as detailed in the enclosed Notification.
- **Link of the Notification.**

https://www.sebi.gov.in/legal/regulations/jan-2021/securities-and-exchange-board-of-india-investment-advisers-amendment-regulations-2021_48742.html

Securities Law (Contd...)

- **The Securities and Exchange Board of India (“SEBI”) – notification no. SEBI/LAD-NRO/GN/2021/03 on The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2021 as an amendment to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“Principal Regulations”) dated January 8, 2021 (“Notification”).**
 - SEBI, *vide* the Notification, has further amended the Principal Regulations which shall come into force from the date of publication in the official gazette i.e. January 8, 2021.
 - **In regulation 112 of the Principal Regulations, one of the situations where the requirements of minimum promoters’ contribution will not apply has been entirely substituted.**
 - Viz. where the equity shares of the issuer are frequently traded on a stock exchange for a period of at least 3 (three) years immediately preceding the reference date and the following requirements are met, the minimum promoters’ contribution will not apply-
 - (a) the issuer has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the reference date; and
 - (b) the issuer has complied to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) for a minimum period of 3 years immediately preceding the reference date.

Securities Law (Contd...)

- It further mentions that if the issuer has not complied with the LODR Regulations, relating to composition of board of directors, for any quarter during the last 3 years immediately preceding the date of filing of draft offer document/offer document, but is compliant with such provisions at the time of filing of draft offer document/offer document and adequate disclosures are made in the offer document about such non-compliance, it will be deemed as compliance with condition.
- Further, where the promoters propose to subscribe to the specified securities offered to the extent greater than higher of the two options available in regulation 113 (Minimum promoters' contribution) of the Principal Regulations, the subscription in excess of such percentage will be made at a price determined in terms of the provisions of regulation 164 of the Principal Regulations (Pricing of frequently traded shares) or the issue price, whichever is higher.
- In regulation 115 of the Principal Regulations, the existing proviso after clause (c), shall be omitted. Accordingly, the proviso that stated that excess promoters' contribution will not be subjected to lock-in has been done away with bringing the same within the purview of lock-in of specified securities.
- In regulation 167 of the Principal Regulations (viz. Lock-in), after the existing sub-regulation (4), the following new proviso shall be inserted, namely, -"Provided that the lock-in provision shall not be applicable to the specified securities is to the extent to achieve 10% public shareholding."

Securities Law (Contd...)

- Accordingly, a new proviso has been inserted which states that lock-in provision shall not be applicable to the specified securities to the extent to achieve 10% public shareholding, as a carve out to the issuance of equity shares on a preferential basis pursuant to any resolution of stressed assets under a framework specified by the Reserve Bank of India or a resolution plan approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code 2016, which is subject to be locked-in for a period of one year from the trading approval.
- **Link of the Notification.**
https://www.sebi.gov.in/legal/regulations/jan-2021/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2021_48704.html

Securities Law (Contd...)

- **The Securities and Exchange Board of India (“SEBI”) – notification no. No. SEBI/LAD-NRO/GN/2021/01 on Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2021 as an amendment to Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“Principal Regulations”) dated January 8, 2021 (“Notification”).**
 - SEBI, *vide* the Notification, seeks to amend regulation 20 of the Principal Regulations which states the general obligations of the manager who shall be responsible for investment decisions of the Alternative Investment Fund (“AIF”). The Notification shall come into force from the date of publication in the official gazette i.e. January 8, 2021.
 - According to the Notification, the following two conditions shall not apply to an AIF in which each investor other than the manager, sponsor, employees or directors of AIF or employees or directors of the manager, has committed to invest not less than 75,00,00,000 (Indian Rupees Seventy Five Crores only) (or an equivalent amount in currency other than Indian rupee) and has furnished a waiver to the AIF in respect of compliance with the below mentioned conditions, in the manner specified by SEBI.
 - a) The members of investment committee shall be equally responsible as the manager for investment decisions of the AIF.

Securities Law (Contd...)

b) The manager and members of the investment committee shall jointly and severally ensure that the investments of the AIF are in compliance with the provisions of these regulations, the terms of the placement memorandum, agreement made with the investor, any other fund documents and any other applicable law.

▪ **Link of the Notification.**

https://www.sebi.gov.in/legal/regulations/jan-2021/securities-and-exchange-board-of-india-alternative-investment-funds-amendment-regulations-2021_48708.html

Reserve Bank of India

- **The Reserve Bank of India (“RBI”) – circular no. RBI/2020-21/82 on Introduction of Legal Entity Identifier for Large Value Transactions in Centralised Payment Systems, dated January 05, 2021 (“Circular”).**
 - The Legal Entity Identifier (“LEI”), a 20-digit number used to uniquely identify parties to financial transactions worldwide, was conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the global financial crisis.
 - LEI has been introduced by the RBI in a phased manner for participants in the over the counter (‘OTC’) derivative and non-derivative markets as also for large corporate borrowers.
 - The RBI, *vide* the Circular has now decided to introduce the LEI system for all payment transactions of value INR 50,00,00,000 (Indian Rupees Fifty Crores only) and above undertaken by entities (non-individuals) using RBI-run centralised payment systems viz. real time gross settlement (“**RTGS**”) and national electronic funds transfer (“**NEFT**”).
 - To ensure preparation for the wider introduction of LEI across all payment transactions, member banks have been instructed to:
 - maintain records of all transactions of INR 50,00,00,000 (Indian Rupees Fifty Crores only) and above through RTGS and / or NEFT.

Reserve Bank of India (Contd...)

- include remitter and beneficiary LEI information in RTGS and NEFT payment messages (details of the identified fields in the messaging structures of RTGS and NEFT for inclusion of LEI information are annexed in the Circular);
- maintain records of all transactions of INR 50,00,00,000 (Indian Rupees Fifty Crores only) and above through RTGS and / or NEFT.
- Local operating units ('LOUs') accredited by the Global Legal Entity Identifier Foundation ('GLEIF') (the body tasked to support the implementation and use of LEI), can issue LEI to the entities. In India, LEI can be obtained from Legal Entity Identifier India Ltd. ('LEIL') (<https://www.ccilindia-lei.co.in>), which is also recognised as an issuer of LEI by the RBI under the Payment and Settlement Systems Act, 2007.
- The aforesaid directions have been issued by the RBI under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and are slated to be effective from April 1, 2021.
- **Link of the Circular.**
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12010&Mode=0 - AN1>

Insolvency And Bankruptcy Code

- **Insolvency and Bankruptcy Board of India (“IBBI”) – circular no. IBBI/CIRP/37/2021 on retention of records relating to corporate insolvency resolution process (“CIRP”) under the Insolvency and Bankruptcy Code, 2016 (“Code”), dated January 04, 2021 (“Circular”).**
- The Circular provides that since an insolvency professional (“IP”) is required to maintain several records in relation to the assignments conducted by him under the Code the IBBI, inter alia, needs to ensure that the records are being maintained by an IP in the manner required under the relevant regulations, directions have been laid out therein, in consultation with the insolvency professional agency (“IPA”) and IPs, pertinent to the preservation of records as under:
 - ✓ An IP shall preserve copies of records generated in electronic form for a minimum period of 8 (eight) years, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the Adjudicating Authority (“AA”), appellate authority or court, or any matter pending with the IBBI, whichever is later.
 - ✓ For records other than (i) above, the IP shall maintain copies for minimum period of 3 (three) years in physical form, and for minimum period of 8 (eight) years in electronic form, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the AA, appellate authority or court, or any matter pending with the IBBI, whichever is later.
 - ✓ An IP shall preserve the records at a secure place (for eg. with an information utility) to prevent unauthorised access thereto. Notwithstanding the place and manner of storage, the IP shall be under obligation to produce records as may be required under the Code and various regulations.

Insolvency And Bankruptcy Code (Contd...)

- ✓ An IP shall preserve records relating to that period of a CIRP which he has handled, irrespective of the fact that he did not continue the assignment till its conclusion. For example, an IP served for 3 (three) months as RP before he was replaced by another IP, who served till conclusion of the CIRP. The former shall preserve records relating to the first 3 (three) months, and the latter shall preserve records relating to the balance period of the CIRP.
- ✓ An IP, in the matter of a CIRP, shall preserve the following copies of records relating to/forming basis for:
 - his appointment as IRP or RP, including the terms of appointment;
 - handing over / taking over by him;
 - admission of corporate debtor into CIRP;
 - public announcement;
 - the constitution of committee of creditors (“**CoC**”) and CoC meetings;
 - claims, verification of claims, and list of creditors;
 - engagement of professionals, registered valuers, and insolvency professional entity,

Insolvency And Bankruptcy Code (Contd...)

- including work done, reports etc., submitted by them;
 - information memorandum;
 - all filings with the AA, appellate authority and their orders;
 - invitation, consideration and approval of resolution plan;
 - statutory filings with IBBI and IPA;
 - correspondence during the CIRP;
 - insolvency resolution process cost pertaining to CIRP;
 - avoidance transactions or fraudulent trading; and
 - any other records, which is required to give a complete account of the CIRP.
- **Link of the Circular.**
<https://www.ibbi.gov.in/uploads/legalframework/5bb3be107809847f06cf2059f54ff3c8.pdf>

Deets / Disclaimer

❑ Deets.

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Thank You



There is no wealth like knowledge and no poverty like ignorance - Buddha