

IMPORTANT ANNOUNCEMENT FOR STUDENT ON SUBJECT

CORPORATE RESTRUCTURING, VALUATION & INSOLVENCY

The provisions relating to the Compromise, Arrangements and Amalgamation, winding up under the Companies Act, 2013 are notified w.e.f. - 7th December, 2016.

Accordingly, the relevant provisions of the Companies Act, 2013 along with the rules made thereunder will be applicable for the June, 2017 Examination and the related provisions of the Companies Act, 1956 will not apply.

Further, provisions (including Rules/Regulations made there under) relating to Corporate Insolvency Resolution Process, liquidation process, insolvency professional agencies, insolvency professionals, insolvency and bankruptcy board of India etc are notified under the Insolvency and Bankruptcy Code, 2016.

The Students are advised to read the notified provisions of Companies Act 2013 and Insolvency and Bankruptcy Code 2016

Further, MCA has also notified the NCLT & NCLAT Rules. Students are advised to read the rules as amended upto December, 2016 for June, 2017 Examinations.

Student are advised the refer the follow index for preparation of June, 2017 Examinations

**PROFESSIONAL PROGRAMME
MODULE I - PAPER 3:
CORPORATE RESTRUCTURING, VALUATION AND INSOLVENCY**

Important Update for June, 2017 Examinations

PART A - Corporate Restructuring

Lesson No.		Key Updates
1	Corporate Restructuring – Introduction & Concepts	Students are advised to read Section 230 to 240 of the Companies Act, 2013 Notified on 07.12.2016 along with the rules made there under. <u>The provisions of Companies Act, 1956 relating to the Corporate Restructuring will not apply</u>
2	Mergers and Amalgamations – Legal and	(i) Students are advised to read Section 230 to 240 of the Companies Act, 2013 Notified on

	Procedural Aspects	07.12.2016 along with the rules made there under, (ii) NCLT & NCLAT Rules notified on 21.07.2016 <u>The provisions of Companies Act, 1956 relating to the Corporate Restructuring will not apply</u>
3	Economic and Competition Law Aspects of Mergers and Amalgamations	Students are advised to also refer CCI (Procedure in regard to the transaction of business relating to combinations) Amendment Regulations, 2016.
4	Accounting Aspects of Amalgamations	Students are advised to read Companies (Accounting Standards) Amendment Rules, 2016 specially with regard to AS-14.
6	Interest of the Small Investors in Mergers	Students are advised to read the Section 244 of the Companies Act, 2013 along with Section 230 & 231 of the Act. (ii) NCLT & NCLAT Rules notified on 21.07.2016 The provisions of Companies Act, 1956 relating to the Corporate Restructuring will not apply.
7	Amalgamation of Banking and Government Companies	Students are advised to also read Section 237 read with rules made there under along with the Master Direction issued by the RBI on 21st April, 2016 or such further amendments. (ii) NCLT & NCLAT Rules notified on 21.07.2016
8	Corporate Demergers and Reverse Mergers	Students are advised to also read Section 230 to 240 of the Companies Act, 2013 Notified on 07.12.2016 along with the rules made there under. (ii) NCLT & NCLAT Rules notified on 21.07.2016 The provisions of Companies Act, 1956 relating to the Corporate Restructuring will not apply.
9	Takeovers	Students are also advised to read Section 230 to 240 and other applicable provisions of the Companies Act, 2013 along with the rules made there under. (ii) Amendments in SEBI (SAST) Regulations, 2011

		up to December, 2016 along with the other SEBI Regulations.
10	Funding of Mergers and Takeovers	Students are advised to also read the RBI Master Direction on the External Commercial Borrowing, SEBI ICDR Regulations along with the Provisions of the Companies Act, 2013.
11	Financial Restructuring	Students are advised to also read the Rules notified for Section 66 for Reduction of Share Capital along with the other relevant provisions of under the Companies Act, 2013. (ii) NCLT & NCLAT Rules notified on 21.07.2016
PART B – Valuation		
14	Valuation Introduction and Techniques	Students are expected to also have understanding of Section 247 of the Companies Act, 2013.
15	Regulatory Aspects of Valuation with reference to Corporate Strategies	Students are advised to have updated knowledge of the valuation requirement under Various Corporate Law.
PART C – Insolvency		
16	Insolvency – Concepts and Evolution	Students are also advised to read the Chartered Secretary September, 2016 Edition. <u>Provisions of SICA will not apply.</u>
17	Revival and Restructuring – Under companies Act, 2013 and Insolvency & Bankruptcy Code, 2016	(i) Students are also advised to read the Chartered Secretary September, 2016 Edition. (ii) Notified Sections under the Insolvency and Bankruptcy Code, 2016 (iii) Regulations made under the Insolvency and Bankruptcy Code, 2016 notified by Insolvency and Bankruptcy Board of India (IBBI).
18	Securitization	(i) Students are advised to refer the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016. (ii) Students are advised to also refer Security

		Interest (Enforcement) (Amendment) Rules, 2016.
19	Debt Recovery	(i) Students are advised to refer Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016.
20	Winding Up	(i) Insolvency and Bankruptcy Code, 2016 (ii) NCLT & NCLAT Rules notified on 21.07.2016 (iii) Chartered Secretary September, 2016 edition

Note:

(i) Students are advised to refer the e-book on the Companies Act, 2013 for easy reference of the Sections and the rules made there under.

(ii) For regular updates it is advised to visit the following website:

1. www.mca.gov.in
2. www.sebi.gov.in
4. www.ibbi.gov.in

(iii) Students are advised to refer MCA website for details of the sections notified under the Insolvency and Bankruptcy Code, 2016.

TABLE SHOWING DATE OF ENFORCEMENT OF PROVISIONS OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016		
<i>Sections of The Insolvency and Bankruptcy Code, 2016</i>	<i>Description of Sections</i>	<i>Date of Enforcement</i>
PART I : PRELIMINARY		
1	Short title, extent and commencement	----
2	Application [Except clause (e)]	1 st December, 2016
3	Definitions	
3(1)	Board	19 th August, 2016
3(2)	Bench	1 st November, 2016
3(3)	Bye-laws	1 st November, 2016
3(4)	Charge	1 st November, 2016
3(5)	Chairperson	19 th August, 2016
3(6)	Claim	1 st November, 2016
3(7)	Corporate Person	1 st November, 2016
3(8)	Corporate Debtor	1 st November, 2016

3(9)	Core Services	1 st November, 2016
3(10)	Creditor	1 st November, 2016
3(11)	Debt	1 st November, 2016
3(12)	Default	1 st November, 2016
3(13)	Financial Information	1 st November, 2016
3(14)	Financial Institution	1 st November, 2016
3(15)	Financial Product	1 st November, 2016
3(16)	Financial Service	1 st November, 2016
3(17)	Financial Service Provider	1 st November, 2016
3(18)	Financial Sector Regulator	1 st November, 2016
3(19)	Insolvency Professional	1 st November, 2016
3(20)	Insolvency Professional Agency	1 st November, 2016
3(21)	Information Utility	1 st November, 2016
3(22)	Notification	19 th August, 2016
3(23)	Person	1 st November, 2016
3(24)	Person Resident in India	1 st November, 2016
3(25)	Person Resident outside India	1 st November, 2016
3(26)	Prescribed	19 th August, 2016
3(27)	Property	1 st November, 2016
3(28)	Regulations	19 th August, 2016
3(29)	Schedule	1 st November, 2016
3(30)	Secured Creditor	1 st November, 2016
3(31)	Security Interest	1 st November, 2016
3(32)	Specified	1 st November, 2016
3(33)	Transaction	1 st November, 2016
3(34)	Transfer	1 st November, 2016
3(35)	Transfer of property	1 st November, 2016
3(36)	Workman	1 st November, 2016
3(37)	Meaning of Words & Expressions	19 th August, 2016
PART II: INSOLVENCY RESOLUTION AND LIQUIDATION FOR CORPORATE PERSONS		
Chapter I : Preliminary		
4	Application of this Part	1 st December, 2016
5	Definitions	1 st December, 2016

5(1)	Adjudicating Authority	1 st December, 2016
5(2)	Audio	1 st December, 2016
5(3)	Chapter	1 st December, 2016
5(40)	Constitutional Document	1 st December, 2016
5(5)	Corporate Applicant	1 st December, 2016
5(6)	Dispute	1 st December, 2016
5(7)	Financial Creditor	1 st December, 2016
5(8)	Financial Debt	1 st December, 2016
5(9)	Financial Position	1 st December, 2016
5(10)	Information Memorandum	1 st December, 2016
5(11)	Initiation Date	1 st December, 2016
5(12)	Insolvency Commencement Date	1 st December, 2016
5(13)	Insolvency Resolution Process Costs	1 st December, 2016
5(14)	Insolvency Resolution Process Period	1 st December, 2016
5(15)	Interim Finance	1 st December, 2016
5(16)	Liquidation Cost	1 st December, 2016
5(17)	Liquidation commencement date	1 st December, 2016
5(18)	Liquidator	1 st December, 2016
5(19)	Officer	1 st December, 2016
5(20)	Operational Creditor	1 st December, 2016
5(21)	Operational Debt	1 st December, 2016
5(22)	Personal Guarantor	1 st December, 2016
5(23)	Personnel	1 st December, 2016
5(24)	Related Party	1 st December, 2016
5(25)	Resolution Applicant	1 st December, 2016
5(26)	Resolution Plan	1 st December, 2016
5(27)	Resolution Professional	1 st December, 2016
5(28)	Voting Share	1 st December, 2016
Chapter II : Corporate Insolvency Resolution Process		
6	Persons who may initiate Corporate Insolvency Resolution Process	1 st December, 2016
7	Initiation of Corporate Insolvency Resolution Process by Financial Creditor	1 st December, 2016

8	Insolvency Resolution by Operational Creditor	1 st December, 2016
9	Application for initiation of Corporate Insolvency Resolution Process by Operational Creditor	1 st December, 2016
10	Initiation of Corporate Insolvency Resolution Process by Corporate Applicant	1 st December, 2016
11	Persons not entitled to make applications	1 st December, 2016
12	Time-limit for completion of Insolvency Resolution Process	1 st December, 2016
13	Declaration of moratorium and public announcement	1 st December, 2016
14	Moratorium	1 st December, 2016
15	Public announcement of corporate insolvency resolution process	1 st December, 2016
16	Appointment and tenure of interim resolution professional	1 st December, 2016
17	Management of affairs of corporate debtor by interim resolution professional	1 st December, 2016
18	Duties of interim resolution professional	1 st December, 2016
19	Personnel to extend co-operation to interim resolution professional	1 st December, 2016
20	Management of operations of corporate debtor as going concern	1 st December, 2016
21	Committee of creditors	1 st December, 2016
22	Appointment of Resolution Professional	1 st December, 2016
23	Resolution Professional to conduct corporate insolvency resolution process	1 st December, 2016
24	Meeting of Committee of Creditors	1 st December, 2016
25	Duties of Resolution Professional	1 st December, 2016
26	Application for avoidance of transactions not to affect proceedings	1 st December, 2016
27	Replacement of Resolution Professional by Committee of Creditors	1 st December, 2016
28	Approval of Committee of Creditors for certain actions	1 st December, 2016

29	Preparation of Information Memorandum	1 st December, 2016
30	Submission of Resolution Plan	1 st December, 2016
31	Approval of Resolution Plan	1 st December, 2016
32	Appeal	1 st December, 2016
Chapter III :Liquidation Process		
33	Intimation of Liquidation	15 th December, 2016
34	Appointment of Liquidator and fee to be paid	15 th December, 2016
35	Power and duties of Liquidator	15 th December, 2016
36	Liquidation estate	15 th December, 2016
37	Power of Liquidator to access information	15 th December, 2016
38	Consolidation of claims	15 th December, 2016
39	Verification of claims	15 th December, 2016
40	Admission or rejection of claims	15 th December, 2016
41	Determination of valuation of claims	15 th December, 2016
42	Appeal against the decision of Liquidator	15 th December, 2016
43	Preferential transactions and relevant time	15 th December, 2016
44	Orders in case of preferential transactions	15 th December, 2016
45	Avoidance of undervalued transactions	15 th December, 2016
46	Relevant period for avoidable transactions	15 th December, 2016
47	Application by creditor in case of undervalued transactions	15 th December, 2016
48	Order in cases of undervalued transactions	15 th December, 2016
49	Transactions defrauding creditors	15 th December, 2016
50	Extortionate credit transactions	15 th December, 2016
51	Orders of Adjudicating Authority in respect of extortionate credit transactions	15 th December, 2016
52	Secured creditor in liquidation proceedings	15 th December, 2016
53	Distribution of assets	15 th December, 2016

54	Dissolution of corporate debtor	15 th December, 2016
Chapter VI : Adjudicating Authority for Corporate Persons		
60	Adjudicating Authority for Corporate Persons	1 st December, 2016
61	Appeals and Appellate Authority	1 st December, 2016
62	Appeal to Supreme Court	1 st December, 2016
63	Civil court not to have jurisdiction	1 st December, 2016
64	Expeditious disposal of applications	1 st December, 2016
65	Fraudulent or malicious initiation of proceedings	1 st December, 2016
66	Fraudulent trading or wrongful trading	1 st December, 2016
67	Proceedings under Section 66	1 st December, 2016
Chapter VII : Offences and Penalties		
68	Punishment for concealment of property	1 st December, 2016
69	Punishment for transactions defrauding creditors	1 st December, 2016
70	Punishment for misconduct in course of corporate insolvency resolution process	1 st December, 2016
71	Punishment for falsification of books of corporate debtor	1 st December, 2016
72	Punishment for wilful and material omissions from statements relating to affairs of corporate debtor	1 st December, 2016
73	Punishment for false representations to creditors	1 st December, 2016
74	Punishment for contravention of moratorium or the Resolution Plan	1 st December, 2016
75	Punishment for false information furnished in application	1 st December, 2016
76	Punishment for non-disclosure of dispute or repayment of debt by operational creditor	1 st December, 2016
77	Punishment for providing false information in application made by corporate debtor	1 st December, 2016
PART IV: REGULATION OF INSOLVENCY PROFESSIONALS, AGENCIES AND INFORMATION UTILITIES		

Chapter I: The Insolvency and Bankruptcy Board of India		
188	Establishment and incorporation of Board	5 th August, 2016
189	Constitution of Board	5 th August, 2016
190	Removal of member from office	5 th August, 2016
191	Powers of Chairperson	5 th August, 2016
192	Meetings of Board	5 th August, 2016
193	Member not to participate in meetings in certain cases	5 th August, 2016
194	Vacancies etc. Not to invalidate proceedings of Board, Officers and employees of Board	5 th August, 2016
Chapter II: Powers and Functions of the Board		
196	Powers and Functions of the Board	1 st November, 2016
197	Constitution of advisory committee, executive committee or other committee	1 st November, 2016
198	Condonation of delay	1 st December, 2016
Chapter III: Insolvency Professional Agencies		
199	No person to function as insolvency professional agency without valid certificate of registration	15 th November, 2016
200	Principles governing registration of insolvency professional agency	15 th November, 2016
201	Registration of insolvency professional agency	15 th November, 2016
202	Appeal to National Company Law Appellate Tribunal	15 th November, 2016
203	Governing Board of insolvency professional agency	15 th November, 2016
204	Functions of insolvency professional agencies	15 th November, 2016
205	insolvency professional agencies to make bye-laws	15 th November, 2016
Chapter IV: Insolvency Professionals		
206	Enrolled and registered persons to act as Insolvency Professionals	15 th November, 2016
207	Registration of Insolvency Professionals	15 th November, 2016

208	Functions and obligations of Insolvency Professionals	
	- sub-section (1) of section 208- (i) clause (c); (ii) clause (e);	15 th November, 2016
	sub-section (2) of section 208	15 th November, 2016

Chapter V: Information Utilities

Chapter VI: Inspection and Investigation		
217	Complaints against insolvency professional agency or its member or information utility	15 th November, 2016
218	Investigation of insolvency professional agency or its member or information utility	15 th November, 2016
219	Show cause notice to insolvency professional agency or its member or information utility	15 th November, 2016
220	Appointment of disciplinary committee	15 th November, 2016

Chapter VII: Finance, Accounts and Audit

221	Grants by Central Government	19 th August, 2016
222	Board's Fund	19 th August, 2016
223	Accounts and Audit	1 st November, 2016
PART V: MISCELLANEOUS		
225	Power of Central Government to issue directions	19 th August, 2016
226	Power of Central Government to supersede Board	19 th August, 2016
230	Delegation	19 th August, 2016
231	Bar of jurisdiction	1 st December, 2016
232	Members, officers and employees of Board to the public servants	19 th August, 2016
233	Protection of action taken in good faith	19 th August, 2016
236	Trial of offences by Special Court	1 st December, 2016
237	Appeal and revision	1 st December, 2016
238	Provisions of this Code override other laws	1 st December, 2016
	sub-section (1) and clause (zd) of sub-section (2) of section 239	19 th August, 2016

	sub-section (2) of section 239- (i) clause (ze) to (zh); (ii) clause (zl) to (zm)	1 st November, 2016
	clause (a) to clause (f) of sub-section (2) of section 239	1 st December, 2016
240	Power to make regulations	
	sub-section (1) and clause (zt) of sub-section (2) of section 240;	19 th August, 2016
	sub-section (2) of section 240- (i) clause (a) to (zm); (ii) clause (zu) to (zzzc);	1 st November, 2016
241	Rules and Regulations to be laid before Parliament	19 th August, 2016
242	Power to remove difficulties	19 th August, 2016
244	Transitional provisions	1 st November, 2016
246	Amendments To The Central Excise Act, 1944	1 st November, 2016
247	Amendments To The Income-Tax Act, 1961	1 st November, 2016
248	Amendments To The Customs Act, 1962	1 st November, 2016
250	Amendments To The Finance Act, 1994	1 st November, 2016
251	Amendments To The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002	15 th November, 2016
252	Amendments To The Sick Industrial Companies (Special Provisions) Repeal Act, 2003	1 st November, 2016
253	Amendments To The Payment and Settlement Systems Act, 2007	15 th November, 2016
254	Amendments To The Limited Liability Partnership Act, 2008	15 th November, 2016
255	Amendments To The Companies Act, 2013	15 th November, 2016

Regulations Notified by IBBI:

- Insolvency and Bankruptcy Board of India(Procedure For Governing Boards Meetings) Regulations, 2017.
- Insolvency and Bankruptcy Board of India(Advisory Committee) Regulations, 2017.
- Insolvency and Bankruptcy Board of India(Engagement Of Research Associates And Consultants) Regulations, 2017.
- Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- Insolvency and Bankruptcy Board of India (Insolvency Resolution Process For Corporate Persons) Regulations, 2016.

- Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
- Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.
- Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016