

**NCLT: Edelweiss Asset Reconstruction Co. Ltd versus Adel Landmarks Ltd.** 1

**SEBI: streamlining the Process of Public Issue of Equity Shares and converts Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount** 3

## NATIONAL COMPANY LAW TRIBUNAL

The Hon'ble National Company Law Tribunal ("NCLT") has delivered its Order on June 13, 2019 in the matter of Edelweiss Asset Reconstruction Co. Ltd (Applicant/ Petitioner) versus Adel Landmarks Ltd. (Respondent)

### **Facts:**

This was an application with a prayer for extending the period of Corporate Insolvency Resolution Process by 90 days with effect from 04.06.2016 as per the provisions of Section 12(2) of the Insolvency and Bankruptcy Code 2016. The Corporate Insolvency Resolution process was initiated in this case on 05.12.2018. The application was supported by the resolution of the CoC passed in its 3<sup>rd</sup> meeting on 03.04.2019 under agenda Item No.1 whereby the Resolution Professional had been authorized to file the instant application. The resolution had been passed by voting share of 74.580%. The reasons given for seeking extension beyond 180 days as was evident from the minutes of the meeting which reads thus:-

" The Chairman further informed the members of the Committee of Creditors that the CoC at its previous meeting approved the criteria for Form G inviting EOI ("Form G"). However, the dates proposed in the Form G were considering the extension of the CIRP period and since the resolution for extension of the CIRP period was not approved Form-G in accordance with Regulation 36A of the CIRP Regulations is yet to be published

He further apprised that as per Regulations 36B (1) of CIRP Regulations, the RP shall issue Information Memorandum, Request for Resolution Plan (RFRP), and

Evaluation Matrix, to the prospective resolution applicants within five days of the date of issue of the provisional list under Regulations 36(A) (10) of the CIRP Regulations.

He further added that as per Regulations 36(B) of CIRP Regulation , the RFRP shall allow prospective resolution applicants a minimum of thirty days to submit the Resolution Plan.

The Chairman informed that post receipt of Resolution Plan, he will examine each resolution plan received by him to confirm that each resolution plan provides for and confirm to the requirement mentioned under Section 30(2) of the Code.

He further informed that as per Regulation 39(4) of the ICRP Regulation , the Resolution Professional shall endeavor to submit the resolution plan approved by the committee to the Adjudicating Authority at least fifteen days before the expiry of the maximum period permitted under Section 12 along with a compliance certificate in Form H of the Schedule of the CIRP Regulations.

He further informed that it is to be noted that the Corporate Insolvency Resolution Process period of one hundred and eighty days is ending on June 03, 2019. In line with the same approx. 119 days out of 180 days from the date of admission of application have elapsed and there is limited time for completing the Corporate Insolvency Resolution Process of the Corporate Debtor.”

## SECURITIES AND EXCHANGE BOARD OF INDIA

Securities and Exchange Board of India (“SEBI”) vide its circular dated June 28, 2019 provides for streamlining the Process of Public Issue of Equity Shares and convertibles Implementation of Phase II of Unified Payments Interface with Application Supported by Block Amount

1. With the reference to SEBI circular NO. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants) with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA.
2. Accordingly Phase II of the aforesaid Circular dated November 01, 2018, shall become effective from July 1, 2019. Thereafter, for applications by retail individual investors through intermediaries, the existing process of, investor submitting bid -cum-application form with any intermediary along with bank account details, and movement of such application forms from intermediaries to Self-Certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued i.e. Channel III at Para 5.1 of Circular dated November 01, 2018 would discontinue. For such applications only the UPI mechanism would be the permissible mode i.e. Channel IV at Para 5.1 of the said Circular.
3. In Phase II, the existing timeline of T+6 days will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later. The implementation of Phase III shall continue unchanged as per the aforesaid Circular from the date of completion of Phase II, as above.

#### Status of SCSBs On UPI

4. Applications through UPI in IPOs can be made only through the SCSBs / mobile applications (apps) whose name appears on the SEBI website—[www.sebi.gov.in](http://www.sebi.gov.in) at the following path:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

An investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

5. An application made using incorrect UPI handle or using a bank account of an SCSBs or bank which is not mentioned in the aforesaid list is liable to be rejected.
6. Investors whose bank is not live on UPI as on the date of this Circular, may use the other alternate channels available to them viz. submission of application form with SCSB or using the facility of linked online trading, demat and bank account (Channel I or II at Para 5.1 of Circular dated November 01, 2018).
7. Retention of forms by Intermediaries  
Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times,

maintain the electronic records relating to such forms for a minimum period of three years.

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Warm Regards,

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