

SUPPLEMENT FOR PROFESSIONAL PROGRAMME

CORPORATE RESTRUCTURING, VALUATION AND INSOLVENCY

Module-1

Paper - 3

(Relevant for students appearing in June 2018 ExaminationS)

This supplement is for the Professional Programme. The students are advised to read their Study Material along with these updates. These academic updates are to facilitate the students to acquaint themselves with the amendments in the Companies Act, 2013 and Other Regulations up to 31st December, 2017, applicable for June 2018 Examination. The students are advised to read all the relevant regulatory amendments made and applicable up to 31st December, 2017 along with the study material. In the event of any doubt, students may write to the Institute for clarifications at academics@icsi.edu

Disclaimer

These academic updates have been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of these academic updates should do so only after cross checking with the original source. This document is released with an understanding that the Institute shall not be responsible for any errors, omissions and/or discrepancies or actions taken in that behalf.

**The students may also refer to the E-book on Companies Act, 2013 on the MCA website (<http://ebook.mca.gov.in/default.aspx>) or ICSI website (<http://ebook.mca.gov.in/default.aspx>) for the updated Companies Act, 2013 and rules made thereunder. The Students are also advised to visit the Website of the ICSI, MCA, SEBI, RBI and other regulator for recent updates on the Subject.

**Student are advised the refer the following for preparation of June,
2018 Examinations**

**PROFESSIONALPROGRAMME
MODULE I - PAPER 3
CORPORATE RESTRUCTURING, VALUATION AND NSOLVENCY**

**Important Update for June, 2018
Examinations**

Lesson No.	Lesson Name	Key Updates
PART A - Corporate Restructuring		
1	Corporate Restructuring – Introduction & Concepts	<p>Section 230 (11) and 230 (12) relating to power to Compromise or Make Arrangements with Creditors and Members are yet to be notified.</p> <p>In case of Government Company - In Sections 230-232 for the word "Tribunal" the words "Central Government" shall be substituted.</p>
2	Mergers and Amalgamations – Legal and Procedural Aspects	<p>Govt. notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017. Students can access text at http://www.mca.gov.in/Ministry/pdf/CompaniesCompromises_14042017.pdf</p> <p>Govt. notified National Company Law Tribunal (Amendment) Rules, 2017 on 5th July, 2017. Students can access text at http://www.mca.gov.in/Ministry/pdf/NationalCompanyLawTribunalAmendmentRules_06072017.pdf</p> <p>Govt. notified National Company Law Appellate Tribunal (Amendment) Rules, 2017 on 23rd August, 2017. Students can access text at http://www.mca.gov.in/Ministry/pdf/NCLATAmendmentRules2017_25082017.pdf</p> <p>Govt. notified Companies (Restriction on number of Layers) Rules, 2017 on 20th September, 2017. The text can be accessed at http://www.mca.gov.in/Ministry/pdf/CompaniesRestrictionOnNumberofLayersRule_22092017.pdf</p> <p>In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in regulation 37, after sub-regulation (5), following sub-regulation and proviso may be inserted, namely - "(6) Nothing contained in this regulation shall apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company: 2 Provided that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures.</p>

3	Economic and Competition Law Aspects of Mergers and Amalgamations	<p>Notification regarding (a) de minimis exemption (b) relevant assets and turnover in case a portion of an enterprise or division or business is being acquired, taken control of, merged or amalgamated with another enterprise. Text can be accessed at: http://www.cci.gov.in/sites/default/files/notification/S.O.%20988%20%28E%29%20and%20S.O.%20989%28E%29.pdf</p> <p>Notification No. S.O. 2039(E) dated 29.06.2017 relating to exemption of every person or enterprise referred to in section 5 of the Competition Act, 2002 from giving notice within thirty days mentioned in sub-section (2) of section 6 of the Competition Act, 2002 under clause (a) of section 54 of the said Act Refer text at http://mca.gov.in/Ministry/pdf/Notification_30062017.pdf</p> <p>Notification No. S.O. 3714(E) dated 22.11.2017 relating to exemption to all cases of combinations under section 5 of the Act involving the CPSEs operating in the Oil and Gas Sectors under the Petroleum Act, 1934 and the rules made thereunder or under the Oilfields (Regulation and Development) Act, 1948 and the rules made thereunder, along with their wholly or partly owned subsidiaries operating in the Oil and Gas Sectors, from the application of the provisions of sections 5 & 6 of the Competition Act, 2002 Refer text at http://mca.gov.in/Ministry/pdf/Notification_27112017.pdf</p>
7	Amalgamation of Banking and Government Companies	<p>Exemptions to all cases of reconstitution, transfer of the whole or any part thereof and amalgamation of nationalised banks, under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), from the application of provisions of Sections 5 and 6 of the Competition Act, 2002. Refer text at http://mca.gov.in/Ministry/pdf/Notification_31082017.pdf</p> <p>Notification No. S.O. 2561(E) dated 10.08.2017 relating to exemption of Regional Rural Banks in respect of which the Central Government has issued a notification under sub-section (1) of section 23A of the Regional Rural Banks Act, 1976 from the application of provisions of section 5 and 6 of the Competition Act, 2002. Refer text at http://mca.gov.in/Ministry/pdf/Notification2561(E)_21082017.pdf</p>
PART B – Valuation		
14	Valuation Introduction and Techniques	<p>In exercise of the powers conferred by section 247 read with sections 458, 459 and 469 of the Companies Act, 2013, the Central Government notified the Companies (Registered Valuers and Valuation) Rules, 2017 w.e.f. 18th October, 2017</p> <p>Students are advised to access the text of the Rules: http://www.mca.gov.in/Ministry/pdf/RegisteredValues_19102017.pdf</p> <p>Central government has delegated powers and functions under section 247 of the Companies Act, 2013 to the Insolvency and Bankruptcy Board of India (IBBI) w.e.f. 23rd October, 2017</p>

15	Regulatory Aspects of Valuation with reference to Corporate Strategies	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2017 issued on 14th August, 2017. The text can be accessed at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Aug/(A)_2017-08-29%2018:25:05.pdf
PART C – Insolvency		
16	Insolvency – Concepts and Evolution	The Insolvency and Bankruptcy Code (Amendment) Act, 2018 which is deemed to have come in force on 23 rd November, 2017 brought some changes in the IBC Code, 2016 Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2018/Jan/182066_2018-01-20%2023:35:29.pdf
17	CORPORATE INSOLVENCY AND RESOLUTION PROCESS	<p>Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 amended up to 31st December, 2017. Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2018/Jan/31%20Dec%202017%20IBBI%20(Insolvency%20Resolution%20Process%20for%20Corporate%20Persons)%20Regulations,%202016%20(Amended%20upto%2031%20Dec%202017)_2018-01-02%2018:29:04.pdf</p> <p>Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017 amended up to 31st December, 2017. Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2018/Jan/31%20Dec%202017%20IBBI%20(Fast%20Track%20Insolvency%20Resolution%20Process%20for%20Corporate%20Persons)%20Regulations,%202017(Amended%20upto%2031%20Dec%202017)_2018-01-02%2018:29:55.pdf</p> <p>Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 amended up to 29th September, 2017. Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Oct/IU%20Regulations%2027%20Sep,%202017_2017-10-09%2016:02:08.pdf</p> <p>Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017 issued on 7th December, 2017. Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Dec/180723_2017-12-09%2009:59:43.pdf</p>

		<p>Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017. Students can access text at http://www.mca.gov.in/Ministry/pdf/IBBIInspectionandInvestigationRegulations2017.pdf</p> <p>Clarification regarding Resolution Plan under section 30 and 31 of IBC, 2016. Students can access text at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Oct/Clarification%20regarding%20resolution%20plan_2017-10-26%2004:08:34.pdf</p> <p>Guidelines for technical standards issued by IBBI for the performance of core services and other services under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 issued on 13th December, 2017. Text can be accessed at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Dec/FINAL%20STANDARDS%20GUIDELINES%2013.12.2017_2017-12-13%2021:37:39.pdf</p> <p>Insolvency Professionals to act as Interim Resolution Professionals or Liquidators (Recommendation) Guidelines, 2017 issued by IBBI on 15th December, 2017. Text can be accessed at http://ibbi.gov.in/webadmin/pdf/legalframework/2017/Dec/Insolvency%20Professionals%20to%20act%20as%20Interim%20Resolution%20Professionals%20or%20Liquidators%20(Recommendation)%20Guidelines,%202017_2017-12-16%2022:57:23.pdf</p> <p>Relaxation in the provisions relating to levy of MAT in case of companies against whom an application for CIRP has been admitted under the IBC, 2016. The text can be accessed at http://ibbi.gov.in/webadmin/pdf/legalframework/2018/Jan/CBDT_MAT_2018-01-06%2023:31:56.pdf</p>
20	Winding-Up	<p>Govt. notified Companies (Transfer of Pending Proceedings) Second Amendment Rules, 2017 on 29th June, 2017. The text can be accessed at http://nclt.gov.in/notification/Notification_29.06.2017_1.pdf</p> <p>Govt. notified Companies (Removal of Difficulties) Order, 2017 on 29th June, 2017. The text can be accessed at http://www.mca.gov.in/Ministry/pdf/CompaniesRemovalofDifficultiesOrder_30062017.pdf</p>

Note:

(i) The Corporate Restructuring, Valuation and Insolvency Study Material updated up to June, 2017 is available on the website on the Institute. Students are advised to refer the same along with updates mentioned above for June, 2018 Examinations. The Study Material is available at:

<https://www.icsi.edu/WebModules/Publications/CRVIupdatedtillJune2017.pdf>

(ii) Students are advised to read the notified provisions of Companies Act, 2013, Insolvency and Bankruptcy Code, 2016 and NCLT & NCLAT Rules as amended up to 31st December, 2017 for June, 2018 Examinations.

(iii) Students are advised to refer the e-book on the Companies Act, 2013 available on MCA website for easy reference of the Sections and the rules made thereunder.

(iv) Students are advised to refer Chartered Secretary for latest articles, legal matters and other updates relevant to the subject.

(v) For regular statutory updates students are also advised to visit the following websites:

1. www.mca.gov.in
2. www.sebi.gov.in
3. www.ibbi.gov.in
4. www.rbi.org.in
5. www.finmin.nic.in
6. www.dipp.nic.in
7. www.nclt.gov.in
8. www.nclat.nic.in
9. www.drt.gov.in