

Paper 6D - Economic Law

Index of Detailed Index

<u>Chapter</u>	<u>Page No.</u>
1: The Competition Act, 2002	2
2: The Real Estate (Regulation & Development) Act, 2016	7
3: The Insolvency and Bankruptcy Code, 2016	12
4: The Prevention of Money Laundering Act, 2002	27
5: The Foreign Exchange Management Act, 1999	32
6: Prohibition of Benami Property Transactions Act, 1988	39
7: The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI)	42

This Index is relevant for May'23 and Nov'23 students and is an Index of the latest edition of the ICAI material.

Chapter 1: Competition Act, 2002

Topics	Case Stud	Sec	Page No.
1. Introduction			
What is competition?		-	1.2
Need for competition and Essence of Free Trade		-	1.2
Role of Competition in Economic Development		-	1.3
Competition Policy and Law		-	1.3
Evolution of Competition Act, 2002 (Raghavan Committee)		-	1.4
The Parliamentary Standing Committee on Home Affairs		-	1.5
Scheme of the Act		-	1.5
Object behind the enactment (Preamble to the Act)		-	1.5
- Competition Commission of India Vs Steel Authority of India Ltd - Objective of this Act			1.6
2. Definitions			
Acquisition		2(a)	1.7
Agreement		2(b)	1.8
Appellate Tribunal		2(ba)	1.9
Cartel - Type of Cartels, Common characteristics, Case Laws - Case No. 29 of 2010 - Builders Association of India vs 11 cement companies		2(c)	1.9-1.13 1.11
Chairperson		2(d)	1.13
Commission - CCI		2(e)	1.13
Consumer		2(f)	1.14
Director General		2(g)	1.15
Enterprise - Peninsular and Oriental Steam Navigation Co. v. Secretary of State for India - Sovereign function		2(h)	1.15 1.16
Goods - State Bank of India Vs. Smt. Neeta Ashok Naik - Stanley Mutual Fund vs. Kartick Das		2(i)	1.16 1.17 1.17
Member		2(j)	1.18
Notification		2(k)	1.18
Person		2(l)	1.18
Practice		2(m)	1.19
Prescribed		2(n)	1.19
Price		2(o)	1.19
Public financial institution		2(p)	1.19
Regulations		2(q)	1.20
Relevant Market - CCI vs Co-Ordination Committee of artists and technicians of WB. Film and Television and Ors		2(r)	1.20 1.20

Relevant Geographic Market		2(s)	1.20
Relevant Product Market - <i>Belaire Owner's Association v. DLF Ltd</i>		2(t)	1.21
Service		2(u)	1.21
Shares		2(v)	1.22
Statutory Authority		2(w)	1.22
Trade		2(x)	1.22
Turnover - <i>Excel Crop Care Limited vs. CCI</i>		2(y)	1.22
Words and Expressions		2(z)	1.23
3. Prohibition of Certain Arrangements, Abuse of Dominant Position and Regulation of Combination (Chapter II)			
Anti-competitive agreements		3(1)	1.23
Factors to consider while deciding Adverse Effect		19(3)	1.24
Horizontal Anti-Competitive Agreements		3(3)	1.25
Big Rigging Concept			1.25- 1.26
Vertical Anti-competitive agreements		3(4)	1.26
Exemptions to certain agreements		3(5)	1.27
Intellectual Property Rights vs Competition laws			1.28
- <i>Aluminium Phosphide Tablets Manufacturers,</i>			1.29
- <i>B. P. Khare, Principal Chief Engineer, South Eastern Railway vs. M/s Orissa Concrete and Allied Industries Ltd. and Ors.,</i>			1.29
- <i>Supply of spares to Diesel Loco Modernization Works, Indian Railways, Patiala, Punjab</i>			1.30
- <i>Sodhi Transport Co. vs. State of UP</i>			1.31
- <i>Mr. Mohit Manglani and M/s Flipkart India Private Limited and 4 Ors</i>			1.31
- <i>Shamsher Kataria and Honda Siel Cars and 13 Ors.</i>			1.31
- <i>Ashok Kumar Sharma vs. Agni Devices Pvt. Ltd.</i>			1.31 1.32
Abuse of dominant position		4	1.32
- <i>Belaire Owner's Association v. DLF Ltd</i>			1.35
- <i>Maharashtra State Power Gen. Co, Coal India Ltd)</i>			1.35
- <i>Board of Control for Cricket in India (BCCI)</i>			1.35
- <i>Penalty on Alphabet Inc. (parent co. of Google)</i>			1.36
Factors determining the Dominant Position and Predatory Pricing			1.34
Combination		5	1.36
Notifications granting exemption from application of section 5		54(a)	1.40
Regulation of combinations (notice within 7 days of BOD resolution/agreement)		6	1.40
Green Channel (Amendment in 2019)			1.43

4. Competition Commission Of India (Chapter III)			
Establishment of Commission		7	1.43
Composition of Commission		8	1.44
Selection committee for Chairperson & other Members of CCI		9	1.45
Term of office of Chairperson and other Members and Vacancy in office of Chairperson		10	1.46
Resignation, removal and suspension of Chairperson and other members		11	1.48
Restriction on employment of Chairperson and other Members in certain cases		12	1.49
Administrative powers of Chairperson		13	1.49
Salary and allowances and other terms and conditions of service of Chairperson and other Members		14	1.49
Vacancy, etc. not to invalidate proceedings of Commission		15	1.50
Appointment of Director General, etc.		16	1.50
Secretary and officers and other employees of Commission		17	1.50
5. Duties, Power and Functions of Commission (Chapter IV)			
Duties of Commission		18	1.52
Inquiry into certain agreements and dominant position of enterprise - Regulation for information or reference to Commission - Power and function of CCI - Factors determining adverse effect on competition - Factors determining abuse of dominance - Factors determining Relevant Market - Factors determining Relevant Geographical Market - Factors determining Relevant Product Market - CCI vs Co-Ordination Committee of artists and technicians of WB. Film and Television		19	1.53
Inquiry into combination by Commission (Within 1 year only)		20	1.56
Reference by statutory authority (CCI to revert in 60 days)		21	1.58
Reference by Commission to Stat. Auth. (Opposite of Sec 21)		21A	1.59
Meetings of Commission (Quorum = 3)		22	1.59
Procedure for inquiry u/s 19 - CCI vs Steel Authority of India Limited		26	1.60 1.61
Orders by Commission after inquiry into agreements or abuse of dominant position - Penalty for contravention (upto 10% of Avg. T/O) - Penalty for Cartel - Excel Corp Care Ltd vs CCI - Relevant Turnover		27	1.62 1.63
Division of enterprise enjoying dominant position		28	1.63
Procedure for investigation of combination Refer CS 16 of Case Study Digest		29	1.64
Procedure in case of notice under sub-Section 2 of Section 6		30	1.67
Orders of Commission on certain combinations		31	1.67

Acts taking place outside India but having an effect on competition in India		32	1.73
Power to issue interim orders		33	1.74
Appearance before Commission		35	1.75
Power of Commission to regulate its own procedure		36	1.75
Execution of orders of Commission imposing monetary penalty		39	1.76
6. Duties of Director General (Chapter V)			
Director General to investigate contravention		41	1.77
7. Penalties (Chapter VI)			
Contravention of orders of Commission (Rs. 1 lakh/day upto 1cr)		42	1.78
Compensation in case of contravention of orders of Commission		42A	1.79
Penalty for failure to comply with directions of Commission and Director General (Rs. 1 lakh/day upto Rs. 1cr)		43	1.80
- <i>Solifert Limited vs CCI - Mens rea not essential</i>			1.80
Power to impose penalty for non-furnishing of information on combinations (Upto higher of 1% of T/O or Asset of combinatn)		43A	1.81
Penalty for making false statement or omission to furnish material information (Rs. 50 lakhs to 1 Cr)		44	1.81
Penalty for offences in relation to furnishing of Info (Upto 1cr)		45	1.81
Power to impose lesser penalty		46	1.81
- <i>Cement Cartel Case (Builders Association of India v. Cement Manufacturers' Association (CMA) and Ors</i>			1.82
The CCI (Lesser Penalty) Regulation, 2009			1.82
Crediting sums realised in penalties - Consolidated Fund of India		47	1.82
Contravention by companies		48	1.85
8. Competition Advocacy (Chapter VII)			
Competition advocacy		49	1.86
9. Finance, Account and Audit (Chapter VIII)			
Grants by Central Government		50	1.87
Constitution of Fund		51	1.87
Accounts and Audit		52	1.88
Furnishing of returns, etc., to Central Government		53	1.90
10. Appellate Tribunal (Chapter IX)			
Appellate Tribunal		53A	1.91
Appeal to Appellate Tribunal (within 60 days + Condonation)		53B	1.92
Awarding compensation		53N	1.93
Procedures and powers of Appellate Tribunal		53 O	1.95
Execution of orders of Appellate Tribunal		53P	1.96
Contravention of orders of Appellate Tribunal		53Q	1.96
Right to legal representation		53S	1.97
Appeal to Supreme Court		53T	1.98
Power to Punish for contempt		53U	1.99
11. Miscellaneous (Chapter X)			
Power to exempt		54	1.99

By Shubham Singhal (AIR -4)

Power of Central Government to issue directions		55	1.100
Power of Central Government to supersede Commission		56	1.100
Restriction on disclosure of information		57	1.101
Chairperson, Members, Director General, Registrar, officers and other employees, etc. of Commission to be public servants		58	1.101
Protection of action taken in good faith		59	1.102
Act to have overriding effect		60	1.102
Exclusion of jurisdiction of civil courts		61	1.102
Application of other laws not barred		62	1.102
Power to make rules		63	1.102
Power to make regulations		64	1.106
Power to remove difficulties		65	1.107
Repeal and saving		66	1.108

Chapter 2: Real Estate (Regulation and Development) Act, 2016

Topics	Sec	Page No.
1. Introduction		
Journey from RERA Bill to RERA Act	-	2.2
Justification for Enactment of RERA	-	2.4
RERA Act is retrospective or retroactive? - Retroactive - Newtech Promoters and Developers Pvt Ltd vs State of UP & Others	-	2.4
Objective behind enactment of RERA	-	2.5
Application of RERA - Prominent features of the Act	-	2.6
Scope of RERA	-	2.13
Benefits of RERA to allottees	-	2.14
2. Definition		
Adjudicating officer	2(a)	2.16
Advertisement	2(b)	2.16
Agreement for sale	2(c)	2.16
Allottee	2(d)	2.17
Apartment	2(e)	2.18
Appellate Tribunal	2(f)	2.18
Appropriate Government	2(g)	2.18
Architect	2(h)	2.18
Authority	2(i)	2.18
Building	2(j)	2.18
Carpet area	2(k)	2.19
Chairperson	2(l)	2.20
Commencement certificate	2(m)	2.20
Common areas	2(n)	2.20
Company	2(o)	2.21
Competent Authority	2(p)	2.21
Completion certificate	2(q)	2.21
Day	2(r)	2.21
Development	2(s)	2.21
Development works	2(t)	2.21
Engineer	2(u)	2.21
Estimated cost of real estate project	2(v)	2.21
External development works	2(w)	2.21
Family	2(x)	2.21
Garage	2(y)	2.22
Immovable property	2(z)	2.22
Interest	2(za)	2.22

Internal Development works	2(zb)	2.23
Local Authority	2(zc)	2.23
Member	2(zd)	2.23
Notification	2(ze)	2.24
Occupancy Certificate	2(zf)	2.24
Person	2(zg)	2.24
Planning Area	2(zh)	2.25
Prescribed	2(zi)	2.25
Project	2(zj)	2.25
Promoter Financer of RE Project is not a promoter (Case Study 17 of Digest)	2(zk)	2.25
Prospectus	2(zi)	2.26
Real Estate Agent	2(zm)	2.26
Real Estate Project	2(zn)	2.27
Regulations	2(zo)	2.27
Rule	2(zp)	2.27
Sanctioned Plan	2(zq)	2.27
General words and expressions	2(zr)	2.27
3.Registration of RE Project and RE Agents and Revocation of Registration		
Prior Registration of RE Project With RERA (Area <= 500 sqm or apartment < 8 = No registration)	3	2.27
Application for registration of RE projects and documents	4	2.29
Grant of Registration (within 30 days)	5	2.32
Extension of Registration (not exceed 1 year)	6	2.33
Revocation of Registration	7	2.33
Obligation of Authority Consequent Upon Lapse or Revocation of Registration (First Right of Refusal to Allottees)	8	2.35
Registration Of Real Estate Agents	9	2.36
Functions Of Real Estate Agents	10	2.37
4.Functions, Duties and Obligation of Promoter		
Functions and Duties of Promoter Form Association of Allottee within 3m of booking by majority of allottees	11	2.38
Obligations of promoter regarding veracity of the advertisement or prospectus	12	2.41
No Deposit or Advance to be Taken by Promoter without First Entering into Agreement for Sale	13	2.41
Adherence to Sanctioned Plans and Project specifications by the Promoter	14	2.43
Obligations Of Promoter in Case of Transfer of a Real Estate Project To A Third Party	15	2.44
Obligations Of Promoter Regarding Insurance of Real Estate Project	16	2.46
Transfer Of Title In the absence of local laws: - Conveyance deed to be carried out within 3m of OC	17	2.46

- Handover docs within 30 days of CC		
Return Of Amount and Compensation	18	2.48
- Newtech Promoters and Developers Pvt Ltd vs State of UP & Others		2.49
5. Rights and Duties of Allottees		
Rights and Duties of Allottees	19	2.49
6. Real Estate Regulatory Authority (RERA)		
Establishment and Incorporation of RERA	20	2.51
Composition of the Authority	21	2.52
Qualifications of Chairperson and Members of Authority	22	2.52
Term of office of Chairperson and Members	23	2.53
Salary of Members, Relinquishment & Vacancy in office (3m)	24	2.53
Administrative Powers of Chairperson	25	2.54
Removal of Chairperson and Members In Certain Circumstances	26	2.54
Restrictions on Chairperson/Members After Cessation of office	27	2.55
Officers and Other Employees of Authority	28	2.55
Meetings of Authority (dispose application within 60 days)	29	2.56
Vacancies, Etc., Not to Invalidate Proceeding of Authority	30	2.56
Filing of Complaints with The Authority or Adjudication officer Explanation - Association of Allottee is a person and can file application (CSD - 2)	31	2.56
Functions of Authority For Promotion of Real Estate Sector	32	2.57
Advocacy and Awareness Measures	33	2.58
Functions of the Authority	34	2.58
Powers of Authority to Call for info. , Conduct Investigations	35	2.59
Power to Issue Interim orders	36	2.59
Powers of Authority to Issue Directions	37	2.59
Powers of Authority	38	2.60
Rectification of orders (within 2 years)	39	2.60
Recovery of Interest/ Penalty /Compensation & Enforcement (Arrears of Land Revenue)	40	2.60
- Newtech Promoters and Developers Pvt Ltd vs State of UP & Others - Can RERA issue Recovery Certificate for recovery of Principal u/s 40(1) or just interest/penalty		2.61
7. Central Advisory Council		
Establishment of Central Advisory Council	41	2.61
Functions of Central Advisory Council	42	2.62
8. The Real Estate Appellate Tribunal		
Establishment of Real Estate Appellate Tribunal	43	2.62
- Newtech Promoters and Developers Pvt Ltd vs State of UP & Others - Whether condition of pre-deposit or entertaining substantive right sustainable in law?		2.63

Application for Settlement of Disputes and Appeals To Appellate Tribunal (appeal within 60 days, dispose within 60 days)	44	2.64
Composition of Appellate Tribunal	45	2.64
Qualifications for Appointment of Chairperson and Members	46	2.65
Term of office of Chairperson and Members	47	2.65
Salary and Allowances Payable To Chairperson and Members	48	2.66
Removal of Chairperson and Member From office In Certain Circumstances	49	2.67
Restrictions On Chairperson or Judicial Member or Technical or Administrative Member On Employment after cessation of Office	50	2.68
Officers and Other Employees of Appellate Tribunal	51	2.68
Vacancies	52	2.69
Powers of Tribunal	53	2.69
Administrative Powers of Chairperson of Appellate Tribunal	54	2.70
Vacancies etc ,not to invalidate proceeding of Appellate Tribunal	55	2.70
Right To Legal Representation	56	2.70
Orders Passed by Appellate Tribunal - Executable As A Decree	57	2.71
Appeal To High Court	58	2.71
9. Offences, Penalties and Adjudication		
Punishment for Non-Registration Under Section 3 - Penalty upto 10% of estimated cost of RE Project - Promoter does not comply - Jail upto 3 yr or Fine further 10%	59	2.72
Penalty for Contravention of Section 4 - Upto 5% of est. cost	60	2.72
Penalty for Contravention of Other Provisions of This Act - Upto 5% of est. cost	61	2.72
Penalty for Non-Registration and Contravention u/s 9 and 10 - Rs. 10,000 per day upto 5% of cost	62	2.72
Penalty for Failure to Comply With orders of <u>Authority</u> by <u>Promoter</u> - Penalty for every day upto 5% of cost	63	2.73
Penalty for Failure to Comply With orders of <u>Appellate Tribunal</u> by <u>Promoter</u> - Jail upto 3 years or fine for every day upto 10% of cost	64	2.73
Penalty for Failure to Comply With orders of <u>Authority</u> by <u>Real Estate Agent</u> - Penalty for every day upto 5% of cost	65	2.73
Penalty for Failure to Comply With orders of <u>Appellate Tribunal</u> by <u>Real Estate Agent</u> - Jail upto 1 year or fine for every day upto 10% of cost	66	2.73
Penalty for Failure to Comply With orders of <u>Authority</u> by <u>Allottee</u> - Penalty for period of default upto 5% of cost	67	2.73
Penalty for Failure to Comply With orders of <u>Appellate Tribunal</u> by <u>Allottee</u> - Jail upto 1 year or fine for every day upto 10% of cost	68	2.74
Offences by Companies	69	2.74
Compounding of offences	70	2.74
Power to Adjudicate	71	2.75

- Newtech Promoters and Developers Pvt Ltd vs State of UP & Others - Whether RERA has jurisdiction to direct refund of amount or the jurisdiction exclusively lies with Adjudicating officer?		
Factors to Be Taken Into Account by The Adjudicating officer	72	2.76
10. Finance, Accounts, Audits and Reports		
Grants and Loans by Central Government	73	2.76
Grants and Loans by State Government	74	2.76
Constitution of Fund	75	2.77
Crediting Sums Realised by Way of Penalties to Consolidated Fund of India or State Account	76	2.77
Budget, Accounts and Audit	77	2.77
Annual Report	78	2.78
11. Miscellaneous		
Bar of Jurisdiction	79	2.79
Cognizance of offences	80	2.79
Delegation	81	2.79
- Newtech Promoters and Developers Pvt Ltd vs State of UP & Others - Whether Sec 81 authorized RERA to delegate its power to a single member?		
Power of Appropriate Government to Supersede Authority	82	2.79
Power of Appropriate Government to Issue Directions to Authority and Obtain Reports And Returns	83	2.81
Powers of Appropriate Government to Make Rules	84	2.81
Power to Make Regulations	85	2.83
Laying of Rules	86	2.84
Members, Etc., to Be Public Servants	87	2.84
Application of Other Laws Not Barred	88	2.84
Act to Have Overriding Effect	89	2.84
- Forum for People's Collective Efforts & Anr vs. The State of West Bengal & Anr - Whether RERA has jurisdiction to direct refund of amount, or the jurisdiction exclusively lies with Adjudicating officer?		
Protection of Action Taken in Good Faith	90	2.85
Power to Remove Difficulties	91	2.86
Repeal	92	2.86

Chapter 3: The Insolvency Bankruptcy Code, 2016

Topics	Sec	Page No.
<u>1. INTRODUCTION</u>		
Concept of Insolvency and Bankruptcy	-	3.2
Relationship between Bankruptcy, Insolvency & Liquidation	-	3.3
Objectives of the Code	-	3.3
Structure of the Code	-	3.4
Foundation of the Code (4 pillars - IP/IPA, AA, IU, IBBI)	-	3.6
Initiation of CIRP	-	3.6
Flow of Insolvency Process for Individuals	-	3.8
Provisions of this Code to override other laws	238	3.8
Extent and Commencement of the Code		3.9
Journey of Insolvency Legislation from Bill to Latest Amendment		3.9
Object behind the enactment of the Code		3.10
<u>2. PRELIMINARY</u>		
Short Title, Extent and Commencement	1	3.10
Applicability of the Code	2	3.11
Non-applicability of the Code - NBFC Asset Size < 500 crores, Bank & FIs, Insurance, ARCs, MFs, Pension Funds (They can file against a Corporate Debtor, but no one can file against them)	3(7)	3.12
<u>3. IMPORTANT DEFINITIONS [SECTION 3 AND 5]</u>		
Adjudicating Authority - NCLT (Co. & LLP) and DRT (Individuals & firms)	5(1)	3.19
Board	3(1)	3.13
Charge	3(4)	3.13
Claim	3(6)	3.13
Corporate Person - Company or LLP but not FSP Hindustan Construction Company Ltd - NHAI is not a corporate person.	3(7)	3.13
Corporate Debtor Laxmi Pat Surana - Guarantor shall be considered as CD	3(8)	3.14
Core services	3(9)	3.14
Creditor Nikhil Mehta - Agreement for purchase of Imm. Property contains clause of assured return or committed return are Financial Creditors	3(10)	3.14
Corporate applicant	5(5)	3.20
Corporate Guarantor Rai Bahadur Shree Ram & Co. - CIRP can be initiated against Corp. Guarantor without first initiating against Corporate Debtor	5(5A)	3.20
Dispute Mobilox Innovations v Kirusa Software - Test for existence of dispute	5(6)	3.20

Vishal Vijay Kalantri - Dispute should not be spurious, hypothetical or illusionary		3.36
Debt	3(11)	3.14
Default - Debt has become due but unpaid and is undisputed	3(12)	3.16
Financial Debt - includes an allottee from real estate project (deemed to have a commercial effect of a borrowing) - does not include subscription money for purchase of shares (ACPC Enterprises v. Affinity Beauty Saloon) - Chitra Sharma vs Union of India - Homebuyers are Financial Creditors - Pioneer Urban Land and Infra - Refer Significant Case Law -		3.21
Financial Creditor - Financial debt is owed (includes assignee) Phoenix ARC vs Ketulbhai Ramubhai Patel - Secured Creditor vs financial creditor	5(7)	3.20
Financial information	3(13)	3.16
Financial Position	5(9)	3.22
Financial Product	3(15)	3.16
Financial Sector Regulator	3(18)	3.17
Financial Service	3(16)	3.16
Financial Service Provider - Bank, FIs, Insurance, MFs, etc.	3(17)	3.17
Information Memorandum	5(10)	3.22
Information utility under Section 210	3(21)	3.18
Initiation date - Date of application to AA for initiating CIRP	5(11)	3.22
Insolvency commencement date - Admission of application u/s 7/9/10	5(12)	3.22
Insolvency professional agency - Person registered u/s 201	3(20)	3.18
Insolvency professional - Person enrolled with IPA /s 206 + Registered with IBBI u/s 207	3(19)	3.17
Insolvency resolution process costs	5(13)	3.22
Insolvency resolution process period - 180 days from ICD	5(14)	3.23
Interim Finance	5(15)	3.23
Liquidation commencement date	5(17)	3.23
Liquidator - Must be Insolvency Professional	5(18)	3.23
Operational creditor	5(20)	3.23
Operational Debt - Provision of Goods/Services + Employment + Dues payable under any law to CG/SG/Local authority	5(21)	3.23
Person JK Jute Mill Mazdoor Morcha - Trade Union is a person	3(23)	3.18
Person resident in India	3(24)	3.19
Person resident outside India	3(25)	3.19
Property	3(27)	3.19
Personal guarantor	5(22)	3.23
Personnel	5(23)	3.23

Related party in relation to Corporate Debtor - Director + >2% of PUSC with relative, Person holds >20% in CD, CD holds >20% in person	5(24)	3.23
Related party in relation to individual - Director + >2% of PUSC with relative, Individual + Related Party hold > 50% of SC	5(24A)	3.25
Relative	5(24A)	3.25
Resolution applicant	5(25)	3.25
Resolution plan	5(26)	3.26
Resolution professional - Includes Interim RP	5(27)	3.26
Secured creditor	3(30)	3.19
Security Interest	3(31)	3.19
Transaction	3(33)	3.19
Transfer	3(34)	3.19
Transfer of property	3(35)	3.19
Voting share - Based on Proportion of financial debt owed to such financial creditor	5(28)	3.27
Meaning of Total Debt (for calculating voting share)	Regulation 16	3.71
CORPORATE INSOLVENCY RESOLUTION PROCESS (SECTION 4 AND 6-32)		
Applicability - Minimum amount of default Rs. 1 crore (w.e.f. 24 th March, 2020) (Rs. 10 lakhs for PPIRP)	4	3.27
Process flow	-	3.28
CIRP process overview	-	3.29
Who can initiate CIRP? - ROC cannot file for initiating CIRP	6	3.30
Initiation of CIRP by Financial Creditor	7	3.30
Filing of application before adjudicating authority (AA) - Application in Form 1 with Rs. 25,000 Fees	7(1)	3.30
Where Financial debt is in form of Securities or deposits, application to be filed by > (100 of such creditors or 10% of total no. whichever is Less)	First Proviso to 7(1)	3.31
Where Financial creditors are allottees, application to be filed by > (100 of such allottees or 10% of total no. of allottees) whichever is Less - <u>Manish Kumar vs UOI</u> - As long as there are independent allotment made to individual or his family members, all of them would qualify as separate allottees (unlike in RERA)	Second Proviso to 7(1)	3.32
Filing of application	7(2)	3.33
Enclosures required to be attached with Application - Record of default, name of proposed IRP, other info. - <u>Sunrise 14 A/S Denmark vs Ravi Mahajan</u> - It is not compulsory for Foreign Company to attached record of default	7(3)	3.33
Time period of ascertainment of default by the AA - 14 days of receipt of application	7(4)	3.33

Admission/Rejection of application by the Adjudicating Authority - Before rejection, provide opportunity to rectify application within 7 days of receipt of such notice from AA - Surendra Trading Company - The above limit of 7 day is directory in nature	7(5)	3.34
Acceptance date is the date of commencement of CIRP	7(6)	3.34
Communication by the AA -Within 7 days of order - Forech India Ltd. - Sec 7 proceeding is independent of Winding up - Indus Biotech Pvt Ltd. - Application u/s 8 of Arbitration cannot be made during pendency of proceeding u/s 7 of IBC	7(7)	3.34
Insolvency resolution process by operational creditor - Demand Notice (Form 3) and Copy of Invoice (Form 4) to be sent to CD - CD to revert on Demand Notice within 10 days of receipt	8	3.35
Some Judicial Interpretation of Section 8 by Supreme Court/NCLAT - Vishal Vijay Kalantri - Dispute should not be spurious, hypothetical or illusory - Innoventive Industries Ltd. - Sec 8 not applicable if dispute pre-existed - Macquarie Bank Ltd. - OC's auth. agent/lawyer can make application u/s 8 - Seema Gupta -Prior notice u/s 8 is mandatory prior to application u/s 9 - Sudhi Sachdev - Pendency of case u/s 138/141 of Negotiable Instrument Act amounts to admission of debt and not existence of dispute		3.36
Application for initiation of CIRP by operational creditor - Application to AA in Form 5 with fees of Rs. 2,000 only. - AA to admit/reject within 14 days - OC to rectify defects in application within 7 days of receipt thereof	9	3.38
Some judicial Interpretation of Section 9 by Supreme Court/NCLAT - Macquarie Bank Ltd. - Certificate from FI is not mandatory - Rajkumar Brothers and Production Pvt Ltd - OC to pay CIRP cost and fees of IRP after dismissal of application u/s 9 - Roma Infrastructure Pvt. Ltd - Advance payment cannot be considered as operational debt - Shailendra Sharma - Proceedings u/s 138 of Negotiable Instrument Act will not prohibit application u/s 9 of this code		3.40
Initiation of CIRP by corporate applicant - Application to AA in Form 6 with fees of Rs. 25,000 only. - AA to admit/reject within 14 days - OC to rectify defects in application within 7 days of receipt thereof	10	3.41

Suspension of initiation of CIRP - For default b/w 25/3/20 to 24/3/21	10A	3.43				
Persons not entitled to initiate CIRP	11	3.44				
Judicial Interpretation of Section 11 by Supreme Court - Forech India Ltd. - Sec 11 is of limited application and bars CD (including Corporate Applicant) from application u/s 10 - Manish Kumar vs UOI - Intention of Section 11 is to prohibit CD from application u/s 10 to prevent abuse of the Code. These CDs can file application u/s 7 and 9.		3.45				
Disposal of applications u/s 54C and u/s 7 or 9 or 10 - Appln. u/s 54C to be given priority over application u/s 7,9 or 10 (except where appln made after 14 days)		3.45				
Time-limit for completion of CIRP - 180 days + 90 days (RP 66% CoC); Max 330 Days CoC of Essar Steel Ltd. vs Satish Kumar Gupta & Others - In Exceptional Cases - AA may extend the time beyond 330 days	12	3.46 3.28				
Judicial Interpretation of Section 12 by Supreme Court <table border="1" data-bbox="191 831 1062 951"> <tr> <td>Innoventive Ind. Ltd</td> <td rowspan="3">Time is of the essence and Authorities concerned to follow timelines</td> </tr> <tr> <td>Surendra Trading Company</td> </tr> <tr> <td>Arcelormittal India Pvt Ltd</td> </tr> </table>	Innoventive Ind. Ltd	Time is of the essence and Authorities concerned to follow timelines	Surendra Trading Company	Arcelormittal India Pvt Ltd		3.47
Innoventive Ind. Ltd	Time is of the essence and Authorities concerned to follow timelines					
Surendra Trading Company						
Arcelormittal India Pvt Ltd						
Withdrawal of application admitted under Section 7, 9 or 10 - 90% CoC	12A	3.47				
Withdrawal of Application of CIRP - Section 12A - Application for withdrawal in Form FA with Bank Guarantee - IRP to submit to AA within 3 days of receipt - CoC to consider within 7 days of receipt - Where approved by 90% of CoC, RP to forward to AA within 3 days - On approval of application, applicant to deposit amount towards expenses within 3 days of such approval.	Regulation 30A	3.49				
Judicial Interpretation of section 12A by Supreme Court - Swiss Ribbons Pvt Ltd - Prior to constitution of CoC, party may approach NCLT directly for withdrawal - Maharashtra Seamless Ltd - Exit route u/s 12A is not applicable to resolution applicant. It is only available for applicant u/s 7,9 or 10		3.49				
Declaration of moratorium and public announcement	13	3.50				
Moratorium	14	3.53				
Judicial Interpretation of Section 14 by the Supreme Court - P. Mohanraj Vs. Shah Brothers Ispat Pvt. Ltd. - Initiation of proceedings u/s 138 of Negotiable Instrument Act is not allowed during moratorium u/s 14 - Small Scale Industrial Manufacturers Association - There shall be no interest/penal charge for the period of Loan Moratorium (COVID)		3.53				
Public Announcement	15	3.55				

Public Announcement (PA) Related Regulation - PA to be made by IRP not later than 3 days from his appointment - PA to be made in Form A - English Newspaper + Regional Language + Website of CD/IBBI	Regulation 6	3.50
Appointment and tenure of IRP - IRP to be appointed on ICD - In case of application by OC, Board to recommend name of IP to AA within 10 days of receipt of reference from AA	16	3.55
Eligibility of IP to be appointed as IRP/RP	Regulation 3	3.56
Management of affairs of Corporate Debtor by IRP	17	3.57
Access to Books of CD (from any source)	Regulation 4	3.57
Duties of IRP	18	3.58
Personnel to extend co-operation to interim resolution professional	19	3.59
Management of operations of corporate debtor as going concern	20	3.60
Manner of submission of proof of claims to IRP - FC - Form C - Regulation 8 - OC - Form B - Regulation 7 - Employees - Form D - Regulation 9 - IRP to verify claims within 7 days of last date of submission of claim and thereafter, within 2 days, report to AA constituting CoC		3.60
<u>Committee of Creditors (CoC)</u>	21	3.67
- Constitution of CoC - <u>CoC to be constituted by IRP after: Collation of claims + Determination of financial position</u> - IRP to file report to AA constituting CoC within 2 days of verification of claims	21(1) Regulation 17	3.67 3.67
Composition of CoC - Financial creditors only (excl. Related Party)	21(2)	3.68
Where the creditor is a Financial as well as an Operational Creditor	21(3)	3.68
Assignment of debt by OC to FC	21(5)	3.68
Consortium arrangement of FC	21(6)	3.69
Voting by Authorised Representative of class of FC	21 (6A)	3.69
Who can act as an authorised representative?		3.69
Remuneration payable to ARs	21(6B)	3.70
IBBI to specify the manner of voting	21(7)	3.70
Decision to COC \geq 51% voting	21(8)	3.70
Right to members of CoC	21(9)	3.70
RP to make available financial info. to CoC within 7 days of requisition	21(10)	3.70
Judicial Interpretation of Section 21 by the Supreme Court - Phoenix ARC Pvt. Ltd. vs Spade Financial Services Ltd - SC held that: o Collusive commercial arrangement is not a financial debt o Purpose of the code is best served if CIRP is driven by external creditors and hence related party excluded from CoC		3.70

<ul style="list-style-type: none"> o Exclusion of related party is when party is related to the CD and not the debt itself. o FC who at present is not a related party can become part of CoC 		
<p>Committee with only operational creditors If FC do not exist or all FCs are related party, CoC shall comprise of: 18 largest OCs by Value (If no. of OCs < 18 - Include all OCs), 1 representative of all workmen, 1 representative of all employees.</p>	Regulation 16	3.71
<p>Appointment of Resolution Professional</p> <ul style="list-style-type: none"> - First meeting of CoC - Within 7 days of constitution - Appoint IRP as RP by 66% vote of CoC 	22	3.61
Resolution Professional to conduct CIRP	23	3.62
<p>Meeting of committee of creditors</p> <ul style="list-style-type: none"> - Notice of meeting to - All FCs (incl. AR), member of suspended BOD, OC if amount of agg. dues \geq 10% of debt 	24	3.72
Meeting of the COC - When RP may deem necessary or request by members of CoC having 33% of Voting Rights	Reg 18	3.74
Notice of meeting - Not less than 5 days' notice to all participants. CoC may reduce notice period (24 hrs or 48 hours)	Reg 19	3.74
Service of notice by electronic means	Reg 20	3.74
Contents of the notice	Reg 21	3.75
Quorum at the meeting - 33% of Voting rights (Else, adjourned to same time and place on next DAY)	Reg 22	3.75
Participation through video conferencing	Reg 23	3.76
<p>Conduct of meeting</p> <ul style="list-style-type: none"> - Vijay Kumar Jain vs SCB (SC) - Members of erstwhile BOD of CD being vitally interest in resolution plans that may be discussed at meetings of the CoC must be given a copy of such Resolution plans along with notice 		3.77
<p>Duties of RP</p> <ul style="list-style-type: none"> - Swiss Ribbons Pvt Ltd (SC) - Held that RP has administrative powers as opposed to quasi-judicial powers 	25	3.63
Application for avoidance of transactions not to affect proceedings	26	3.64
Right and duties of Authorised Representative of financial creditors	25A	3.64
Fees of Resolution Professional - To be included as CIRP cost	5(13)	3.65
Replacement of Resolution Professional by COC - 66% of CoC	27	3.65
Approval of committee of creditors for certain actions - 66% of CoC	28	3.77
Preparation of information memorandum	29	3.66
<p>What information shall the information memorandum contain? RP to submit info memo to CoC within 2 weeks of appointment or 45 days from ICD whichever is earlier.</p>	Reg 36	3.66
<p>Persons not eligible to be resolution applicant Refer Case Study 24 of Case Study Digest</p>	29A	3.79
Judicial Interpretation of Section 29A by Supreme Court		3.81

- Arcelormittal India vs Satish Gupta - Sec 29A is a see-through provision		
- Arun Kumar Jagatramka vs Jindal - Ineligibility referred to u/s 29A of the code shall also apply to Sec 230 of Companies Act, 2013		
Submission of Resolution Plan	30	3.82
- Resolution Applicant to submit Resolution Plan to RP	30(1)	3.82
- Duty of resolution professional on submission of Resolution Plan	30(2)	3.83
- Present of resolution plans by Resolution professional for approval	30(3)	3.84
- Approval by CoC - 66% CoC to approve considering - (a) feasibility and viability, (b) manner of distribution proposed, (c) other factors	30(4)	3.84
- Attending of meeting by resolution applicant - May attend but no right to vote	30(5)	3.85
- Submission of Resolution Plan	30(6)	3.85
Judicial Interpretation of Section 30 by Supreme Court		3.85
- Arcelormittal India vs Satish Gupta - Sec 30(2)(e) does not empower the RP to "decide" whether the R. plan does or does not contravene provisions of Law. It is the CoC which will approve/disapprove the plan. RP just have to give prima-facie opinion		
- Chitra Sharma vs UOI - Primacy is given in the process to commercial decision. Success of process is contingent on competence of IRP+CoC		
- Swiss Ribbons - CoC has the primary responsibility of financial restructuring		
Approval of Resolution Plan - Moratorium u/s 14 ceases Note - Where the resolution plan has provision for combination, RP to obtain approval of CCI u/s 5 prior to approval of Resolution plan by CoC	31	3.86
Judicial Interpretation of Section 31 by Supreme Court		3.87
- K. Sashidhar vs IOB - AA cannot investigate into the R. Plans that were rejected. It can only scrutinize the plan "as approved" by CoC		
- Kalpraj Dharamshi vs. Kotak - The commercial wise of FCs forming part of CoC is not to be questioned		
- Jaypee Kensington Boulevard Apartments Association - AA's power of judicial review u/s 31 has limited jurisdiction. It is not akin to the power of a superior authority to deal with merits of decision of inferior authority.		
Appeal against Approval of Resolution Plan	32	3.89
Liability for Previous offences	32A	3.89
LIQUIDATION PROCESS (SECTION 33 to 54 of the Code)		
Initiation of liquidation	33	3.91
- Where R. Plan is not timely received by AA or rejected for non-compliance - AA shall order liquidation + public announcement	33(1)	3.91
- Intimation of the decision of CoC (by 66%) to liquidate to AA	33(2)	3.92
- Contravention of resolution plan as approved by the AA	33(3)	3.92

- Determination of contravention of the provisions of the resolution plan	33(4)	3.92
- Bar to filing to suits and legal proceedings	33(5)	3.92
- Exception	33(6)	3.93
- Order to be deemed to be notice of discharge for employees, officers, workmen except when business is continued during Liquidatn		3.93
Appointment of Liquidator and fee to be paid	34	3.94
- Resolution professional to act as liquidator	34(1)	3.94
- Eligibility for appointment as Liquidator (Reg 3 of IBBI Regulations,2016) (almost similar to that of IRP/RP but not same)		3.94
- Powers of BoD/ KMP vested in liquidator	34(2)	3.95
- Personnel to extend cooperation to liquidator	34(3)	3.95
- Order to replace the RP - AA may order	34(4)	3.95
- AA to direct the IBBI to propose name of another IP	34(5)	3.95
- IBBI to propose the name of another IP - within 10 days	34(6)	3.95
- AA to appoint insolvency professional as the liquidator	34(7)	3.96
- Charge of fees - Liquidator to charge fees in proportion to value of LEA	34(8)	3.96
- Payment of fees	34(9)	3.96
- Liquidator's Fee	Reg 4	3.96
Powers and duties of liquidator	35	3.97
Reporting by Liquidator to AA	Reg 5	3.99
Powers to consult stakeholders	35(2)	3.99
Liquidation estate - Held by Liquidator in Fiduciary capacity of Creditors. Regulation 34 - On forming LEA, liquidator shall prepare an asset memorandum within 75 days from Liq. commencement date.	36	3.100
Powers of liquidator to access information Liquidator to provide requested info. to creditors within 7 days	37	3.101
Consolidation of claims - Liquidator to collect claims within 30 days of Liq. comm. date - Creditor may vary claim within 14 days of submission thereof	38	3.102
Verification of claims - Liq. to verify claims within 30 days from last date of receipt of claim - Liq. to communicate his decision to creditor AND CD within 7 days of admission/rejection of claims	39	3.103
Admission or rejection of claims	40	3.103
Determination of valuation of claims	41	3.103
Appeal against decision of liquidator - Within 14 days of accepting or rejecting the claim	42	3.104
Preferential Transaction (Sec 43 and 44)		
Preferential transactions - RP/Liq. to apply to AA for order	43(1)	3.104
Deemed preferential transactions	43(2)	3.104

Transactions which are not preferential transactions	43(3)	3.104
Relevant time? <ul style="list-style-type: none"> Related Party (other than employee) - During 2 years preceding ICD Person other than related party - During 1 year preceding ICD <u>V. Nagarajan (Liquidator) v. Asset Reconstruction Company India Ltd - If sale deed was executed prior to 1 year preceding ICD, application u/s 43 is not maintainable</u>	43(4)	3.105
Orders of AA in case of preferential transactions	44	3.106
<u>Anuj Jain vs Axis Bank Ltd & Ors. - Supreme Court held that:</u> 1. Preference shall not include trf. made in OCOB of CD AND transferee 2. Step by step process to identify preferential transaction 3. As the transactions are held preferential, it is not necessary to examine whether these are undervalued or fraudulent.		3.107
<u>Undervalued Transaction (Sec 45 to 48)</u>		
Avoidance of undervalued transactions	45	3.108
Relevant period for avoidable transactions <ul style="list-style-type: none"> Related Party (other than employee) - During 2 years preceding ICD Person other than related party - During 1 year preceding ICD 	46	3.109
Application by creditor in case of undervalued transactions	47	3.109
Order in cases of undervalued transactions	48	3.110
<u>Defrauding Transaction (Sec 49)</u>		
Transaction defrauding creditors	49	3.110
<u>Extortionate Credit Transaction (Sec 50 and 51)</u>		
Extortionate credit transactions - Within 2 years preceding ICD	50	3.111
Order of Adjudicating authority	51	3.111
<u>Secured Creditor, Distribution and Dissolution (Sec 52 - 54)</u>		
Secured creditor in Liquidation proceedings - Relinquish or Realise	52	3.112
Distribution of assets	53	3.113
<u>Swiss Ribbons Pvt Ltd vs UOI (SC) - Priority of repayment of financial debt over operational debt u/s 53 is NOT a violation of Article 14</u>		3.114
Dissolution of corporate debtor - <ul style="list-style-type: none"> On complete Liquidation of CD, Liq. to apply to AA for dissolution. Order of AA to be forwarded to RoC within 7 days of such order 	54	3.114
Liquidator to liquidate CD within 1 year of Liq. commencement date (additional 90 days if sale is attempted under Reg. 32A(1))	Reg 11	3.115
<u>PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS (SECTION 54A-54P)</u>		
<u>Key Definitions relating to Chapter III-A</u>		
Base resolution plan	5(2A)	3.115
Pre-packaged insolvency commencement date	5(23B)	3.115
Pre-packaged insolvency resolution process costs	5(23C)	3.115
Pre-packaged insolvency resolution period	5(23D)	3.116
Preliminary Information Memorandum	5(23A)	3.116

Corporate debtors eligible for pre-packaged insolvency resolution process	54A	3.116
Process and Forms for Approval by Financial creditors	Reg 14	3.118
Duties of Insolvency Professional before initiation of PPIRP	54B	3.119
IP to identify 3 IPs to represent class of creditors	Reg 15	3.121
Application to initiate PPIRP-By Corporate Applicant in Form 1 + Rs. 15,000	54C	3.121
Applicant to furnish following books / accounts	Reg 18	3.124
Time-limit for completion of PPIRP - 120 days + 90 days	54D	3.123
Declaration of moratorium and public announcement during PPIRP	54E	3.123
Duties and powers of resolution professional during PPIRP	54F	3.124
Persons who shall NOT be appointed as professional by RP	Reg 10	3.126
List of claims and preliminary information memorandum - Form P10	54G	3.126
Management of affairs of corporate debtor	54H	3.127
Committee of creditors	54I	3.127
Vesting management of corporate debtor with resolution professional - Form P14	54J	3.128
Consideration and approval of resolution plan	54K	3.128
Scoring and improvement of resolution plans	Reg 42	3.131
Invitation for resolution plans	Reg 43	3.132
Approval of resolution plan	54L	3.134
Appeal against order u/s 54L	54M	3.136
Initiation of corporate insolvency resolution process	54O	3.137
Application of provisions of Chapter II,III,VI and VII to this Chapter	54P	3.138
Forms prescribed for PPIRP under Rules/Regulations		3.139
FAST TRACK INSOLVENCY RESOLUTION FOR CORPORATE PERSONS (SECTION 55-58)		
Fast track corporate insolvency resolution process - Small Co. as per sec 2(85), Startup, Unlisted co. with total asset <= Rs. 1 crore	55	3.140
Time period for completion of fast track corporate insolvency resolution process - 90 days + 45 days (75% of CoC)	56	3.140
Manner of initiating fast track corporate insolvency resolution process	57	3.141
Applicability of Chapter II and VII to his chapter	58	3.141
Appointment of Registered Valuer	Reg 26	3.141
Transfer of debt due to creditors	Reg 27	3.142
Sale of asset outside the ordinary course of business	Reg 28	3.142
Assistance of local district administration	Reg 29	3.142
Fast track process cost	Reg 30	3.142
VOLUNTARY LIQUIDATION OF CORPORATE PERSONS (SECTION 59)		
Voluntary Liquidation of Corporate persons	59	3.143
The IBBI(Voluntary Liquidation Process) Regulations,2017		3.144
ADJUDICATING AUTHORITY FOR CORPORATE PERSONS (Section 60 to 67A)		
Adjudicating Authority for corporate persons - NCLT	60	3.147
Period of moratorium excluded for purpose of limitation	60(6)	3.148

Judicial Interpretation of Section 60 by Supreme Court		3.148
- Embassy Property Developments - Whether questions of fraud can be inquired into by the NCLT/NCLAT in the proceedings initiated under IBC?		
- SBI vs V. Ramakrishnan - If proceeding against CD is pending under the code, personal guarantor proceeding will be filed with NCLT only.		
- CoC of Essar Steel vs Satish Kumar Gupta - Judicial review available to AA can in no circumstance trespass upon a business decision of majority of CoC		
- Arcelormittal India Pvt Ltd. vs Satish Kumar Gupta - No forum other than NCLT has jurisdiction to entertain/dispose application against CD		
- Gujurat Urja Vikas Nigam Ltd vs Amit Gupta - Clarity on jurisdiction of AA u/s 60		
Appeals and Appellate Authority NCLAT - Within 30 days (+15 days)	61	3.150
Appeal to Supreme Court on a question of law Within 45 days (+15 days)	62	3.151
- Gammon India Ltd vs. Neelkanth Mansion - An appeal to SC was made within 51 days of receipt of NCLAT order. SC dismissed the appeal on ground that it is barred by limitation		
- Upendra Choudhury vs. Bulandshahar Development Authority : SC declined to entertain a writ petition under Article 32 of the Constitution filed by singular homebuyer		
Civil Court is prohibited to entertain any suit or proceedings	63	3.151
Expeditious disposal of applications - Extension not > 10 days	64	3.151
Fraudulent or malicious initiation of proceedings	65	3.152
Fraudulent trading or wrongful trading	66	3.153
Proceedings under Section 66	67	3.153
Order of Priority of Payment	67(2)	3.154
Fraudulent management of corporate debtor during PPIRP Fine - Rs. 1 lakh to Rs. 1 crore	67A	3.154
9. OFFENCES AND PENALTIES (SECTION 68 to 77A)		
Concealment of property (in last 12 months of amt > Rs. 10,000) Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	68	3.154
Transactions defrauding creditors Jail 1-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	69	3.156
Misconduct in courses of corporate insolvency resolution process Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	70	3.157
Misconduct in courses of CIRP by Insolvency Professional Jail upto 6m and/or fine - Rs. 1 lakh to Rs. 5 lakhs	70(2)	3.158
Falsification of books of corporate debtor Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	71	3.158
Wilful and material omissions from statements relating to affairs of corporate debtor Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	72	3.158

False representations to creditors Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	73	3.159
Contravention of moratorium by CD/officers Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 3 lakhs	74(1)	3.159
Contravention of moratorium by the creditor Jail 1-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	74(2)	3.159
Contravention of resolution plan by the CD/officers/creditors Jail 1-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	74(3)	3.160
False information furnished in application u/s 7 - Fine Rs. 1 lakh to 1 crore	75	3.160
Non-disclosure of dispute or repayment of debt by operational creditor u/s 9 - Jail 1-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	76	3.160
Providing false information in application by corporate debtor u/s 10 Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	77	3.161
Offences related to PPIRP Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	77A(1)	3.161
Offences related to PPIRP by director or partner of the corporate debtor Jail 3-5 years and/or Fine - Rs. 1 lakh to Rs. 1 crore	77A(2)	3.161
<u>10. INSOLVENCY RESOLUTION AND BANKRUPTCY FOR INDIVIDUALS AND PARTNERSHIP FIRMS (Part III)</u>		
Application of the provisions of the Bankruptcy to personal guarantors of Corporate Debtors and for others in phases w.e.f. 15.11.2019	Sec 78 to 187	3.162
<u>11. REGULATION OF INSOLVENCY PROFESSIONALS, AGENCIES AND INFORMATION UTILITIES (Part IV)</u>		
Establishment and incorporation of Board (IBBI)	188	3.162
Constitution of Board (Appointment of Members, Eligibility, Appointment on recommendation of a selection committee, Term of offices and Payment of salaries - Term - 5 years upto 65 years + Eligible for reappt.	189	3.163
Removal of member from office	190	3.164
Powers of Chairperson	191	3.164
Meetings of Board	192	3.164
Member not to participate in meetings in certain cases - Director of a co. + Pecuniary interest	193	3.165
Vacancies, etc., not to invalidate proceedings of Board, Officers and employees of Board	194	3.165
Power to designate financial sector regulator	195	3.165
Powers and Functions of the Board K. Sashidhar vs IOB (SC) - Held that IBBI cannot u/s 196, regulate the manner of exercise of commercial wisdom by FCs during voting on resolution plan	196	3.165
Constitution of advisory committee, executive committee or other committee	197	3.168

Condonation of delay - <i>By AA</i>	198	3.169
<u>Insolvency Professional Agencies (Section 199 to 205)</u>		3.169
No person to function as insolvency professional agency without valid certificate of registration	199	3.169
Principles governing registration of insolvency professional agency	200	3.169
Manner of registration of insolvency professional agency - <i>Board to acknowledge receipt of application within 7 days of receipt</i> - <i>Board to accept/rejection application and communicate within 15 days</i>	201	3.170
Appeal to National Company Law Appellate Tribunal	202	3.171
Governing Board of insolvency professional agency	203	3.171
Functions of insolvency professional agencies	204	3.171
Insolvency professional agencies to make bye-laws	205	3.173
<u>Insolvency Professionals (Section 206 to 208)</u>		3.173
Who may act as insolvency professionals?	206	3.173
Registration of insolvency professionals	207	3.173
Eligibility to be registered as an IP	Reg 4	3.173
Qualifications and experience of IP	Reg 5	3.174
Application for CoR - <i>Application to IBBI in Form A with Rs. 10,000 non-refundable fee</i> - <i>Board to acknowledge receipt of application within 7 days</i>	Reg 6	3.175
Certificate of Registration - <i>IBBI may grant reg. in Form B within 60 days of receipt of appln.</i>	Reg 7	3.175
Code of Conduct for Insolvency Professionals	First Schedule	3.177
Authorisation for assignment	Reg 7A	3.180
Disciplinary Proceedings	Reg 11	3.181
Functions and obligations of insolvency professionals (IP)	208	3.182
<u>Information Utilities (Section 209 to 216)</u>		3.183
Who shall carry on the business as information utility?	209	3.183
Registration of information utility -Eligibility for registration	210	3.184
Appeal to National Company Law Appellate Tribunal	211	3.185
Governing Board of information utility-Composition of the Governing Board.	212	3.185
Core services, etc. of information utilities	213	3.186
Obligations of information utility	214	3.186
Procedure for submission, etc., of financial information	215	3.187
Rights and obligations of persons submitting financial information	216	3.187
<u>Inspection and Investigation (Section 217 to 220)</u>		3.187
Complaints against insolvency professional agency or its member or information utility	217	3.188
Investigation of insolvency professional agency or its member or information utility	218	3.188

Show cause notice to insolvency professional agency or its member or information utility	219	3.189
Appointment of disciplinary committee	220	3.190
Finance, Accounts and Audit (Section 221 to 223)		3.191
Grants by Central Government	221	3.191
Board's Fund	222	3.191
Accounts and audit (Audit of Accounts by the CAG, Right and privileges, Presentation of certified copy of the accounts and audit report to CG)	223	3.191
12. Miscellaneous		
Insolvency and Bankruptcy Fund	224	3.192
Power of Central Government to issue directions	225	3.193
Power of Central Government to supersede Board	226	3.193
Power of Central Government to notify financial service providers, etc	227	3.194
Insolvency and Liquidation Proceedings of FSP and Application to Adjudicating Authority Rules, 2019	-	3.195
Vinay Kumar Mittal Vs Dewan Housing Finance Corporation Ltd.		3.197
Budget	228	3.197
Annual Report	229	3.197
Delegation	230	3.197
Bar of jurisdiction	231	3.198
Liberty House Group PTE Ltd. Vs State Bank of India & Ors.		3.198
Members, officers and employees of Board to the public servants	232	3.198
Protection of action taken in good faith	233	3.198
Jaypee Kensington Boulevard Apartments Welfare Association & Ors. Vs NBCC (India) Ltd. & Ors.		3.198
Enabling provisions for cross border transactions		3.198
Agreements with Foreign Countries	234	3.198
Letter of request to a country outside India in respect of assets	235	3.199
Punishment where no specific penalty or punishment is provided	235A	3.199
Trial of offences by SpC - Cognizance of an offence	236	3.199
CoC of Amtek Auto Ltd through Corporation Bank Vs Dinkar T. Venkatasubramanian & Ors		3.200
Alchemist Asset Reconstruction Co. Ltd Vs Hotel Gaudavan Pvt. Ltd.		3.200
Appeal and revision	237	3.200
Provisions of this Code to override other laws	238	3.200
Judicial Pronouncements		3.200
Limitation	238A	3.201
Judicial Pronouncements on the Limitation		3.202
Power to make rules	239	3.203
Power to make regulations	240	3.206
Application of this Code to micro, small and medium enterprises	240A	3.212
Rules and Regulations to be laid before Parliament	241	3.212
Power to remove difficulties	242	3.213

Chapter 4: Prevention of Money Laundering, 2002

Topics	Sec	Page No.
Introduction		
Understanding Money Laundering	-	4.1
Preliminary - Object behind the Act	-	4.3
Overview of the Act	-	4.4
Short Title, Extent and Commencement	-	4.5
Definition		
Money-laundering	2(1)(p)	4.6
Proceeds of crime	2(1)(u)	4.6
Property	2(1)(v)	4.6
Payment system	2(1)(rb)	4.7
Scheduled offence	2(1)(y)	4.7
Transfer	2(1)(za)	4.7
Adjudicating Authority	2(1)(a)	4.7
Appellate Tribunal	2(1)(b)	4.7
Assistant Director	2(1)(c)	4.7
Attachment	2(1)(d)	4.7
Authorised person	2(1)(da)	4.7
Banking company	2(1)(e)	4.7
Bench	2(1)(f)	4.7
Beneficial owner	2(1)(fa)	4.7
Chairperson	2(1)(g)	4.7
Chit fund company	2(1)(h)	4.7
Client	2(1)(ha)	4.8
Co-operative bank	2(1)(i)	4.8
Corresponding law	2(1)(ia)	4.8
Dealer	2(1)(ib)	4.8
Deputy director	2(1)(j)	4.8
Director or additional director or joint director	2(1)(k)	4.8
Financial institution (includes Department of Post)	2(1)(l)	4.8
Housing finance institution	2(1)(m)	4.8
Intermediary	2(1)(n)	4.8
Investigation	2(1)(na)	4.9
Member	2(1)(o)	4.9
Non-banking financial company	2(1)(q)	4.9
Notification	2(1)(r)	4.9
Offence of cross border implication	2(1)(ra)	4.9
Payment system	2(1)(rb)	4.9

Payment system operator	2(1)(rc)	4.9
Person	2(1)(s)	4.10
Person carrying on designated business or profession	2(1)(sa)	4.10
Precious metal	2(1)(sb)	4.11
Precious stone	2(1)(sc)	4.11
Prescribed	2(1)(t)	4.11
Real estate agent	RERA	4.11
Records	2(1)(w)	4.11
Reporting entity	2(1)(wa)	4.11
Schedule	2(1)(x)	4.11
Special court	2(1)(z)	4.11
Value	2(1)(zb)	4.11
Punishment for the Offence Of Money Laundering [Section 3 And 4]		
Offence of Money Laundering	3	4.11
3 step process of Money Laundering - Placement, Layering and Integration	-	4.12
Punishment of Money Laundering Normal - Rigorous imprisonment 3 to 7 AND Fine Drugs - Rigorous imprisonment 3 to 10 AND Fine	4	4.12
P Chidambaram vs. ED Criminal Appeal (Supreme Court) - Offences under PMLA are cognizable offence	-	4.13
Attachment, Adjudication and Confiscation (Chapter III)		
Attachment - Provisional Attachment by Director or Auth. Director - 180 days from date of order - Forward copy of order to AA along with materials in possession - Director/officer to file complaint with AA within 30 days of attachment	5	4.13
Adjudicating Authority - Term 5 years, max 65 years	6	4.15
Staff of Adjudicating Authorities	7	4.17
Adjudication - AA to serve Show cause notice (not < 30 days) - AA to pass order confirming attachment (not > 365 days) - On confirmation of attachment, director to take possession - Trial will be conducted with Special court and then confiscation of property - What if trial could not be conducted due to death, etc?	8	4.17
Vesting of property in Central Government	9	4.19
Management of properties confiscated - CG to appoint administrator (officer not below rank of Joint Secretary to the GoI)	10	4.20
Power regarding summons, production of documents and evidence, etc.	11	4.20
Verification of Identity by Reporting Entity	11A	4.20

(Refer CS - 7 of CSD)		
Obligation of Banking Companies, Financial Institutions And Intermediaries		
Reporting entity to maintain records	12	4.22
Prevention of Money-Laundering (Maintenance of Records) Rules, 2005	Rule 3 & 9	4.22
Access to information	12A	4.34
Enhanced due diligence	12AA	4.35
Power of director to impose fine	13	4.36
No civil or criminal proceedings against reporting entity, its directors and employees in certain cases	14	4.37
Procedure and manner of furnishing information by reporting entities	15	4.37
Summons, Searches and Seizures, Etc		
Power of survey	16	4.37
Search and seizure	17	4.38
Search of persons	18	4.40
Power to arrest	19	4.41
Retention of property	20	4.42
Retention of records	21	4.43
Presumption as to records or property in certain cases	22	4.44
Presumption in inter-connected transactions	23	4.44
Burden of proof	24	4.45
Appellate Tribunal		
Establishment of Appellate Tribunal - Sec 12 of SAFEMA	25	4.45
Appeals to Appellate Tribunal - 45 days + Condonation, dispose appeal within 6m	26	4.45
Procedures & Powers of the Appellate Tribunal	35	4.47
Distribution of business amongst Benches	36	4.48
Power of Chairman to transfer cases	37	4.48
Decision to be by majority	38	4.48
Right of appellant to take assistance of authorised representative and of Government to appoint presenting officers	39	4.48
Members, etc., to be public servants	40	4.48
Civil court not to have jurisdiction	41	4.49
Appeal to High Court (60 days + 60 days) - Question of Law or Fact	42	4.49
Special Courts		
Empowers the Central Government in consultation with CJI	43	4.49
Jurisdiction of special courts:	44	4.50
Offences to be cognizable and non-bailable (Nature of offence committed under the Act) - Gautam Kundu vs. Manoj Kumar	45	4.51
Application of Code of Criminal Procedure, 1973 to proceedings before Special Court	46	4.52

Appeal and revision	47	4.53
AUTHORITIES		
Authorities under Act	48	4.53
Appointment and powers of authorities and other officers	49	4.53
Powers of authorities regarding summons, production of documents and to give evidence, etc	50	4.54
Jurisdiction of authorities	51	4.55
Power of Central Government to issue directions, etc	52	4.55
Empowerment of certain officers	53	4.55
Certain officers to assist in inquiry etc	54	4.55
RECIPROCAL ARRANGEMENT FOR ASSISTANCE IN CERTAIN MATTERS		
Corresponding law	-	4.57
Offence of cross border implications	-	4.57
Contracting State	55	4.58
Agreements with foreign countries	56	4.58
Letter of request to a contracting State in certain cases	57	4.59
Assistance to a contracting State in certain cases	58	4.60
Special Court to release the property	58A	4.61
Letter of request of a contracting State or authority for confiscation or release the property	58B	4.61
Reciprocal arrangements for processes and assistance for transfer of accused persons	59	4.62
Attachment, seizure and confiscation, etc., of property in a contracting State or India	60	4.63
Procedure in respect of letter of request	61	4.64
Recovery Of Fine or Penalty And Miscellaneous		
Punishment for vexatious search Imprisonment upto 2 years or Fine upto Rs. 50,000 or both	62	4.65
Punishment for false information or failure to give information, etc. False info - Jail upto 2 years or Fine upto Rs. 50,000, or both Failure to give info - Fine Rs. 500 to Rs. 10,000 for each default/failure	63	4.65
Cognizance of offences No court to take cognizance u/s 62 or 63(1) except with prior sanction of CG. CG to give/refuse sanction within 90 days of receipt of request	64	4.66
Code of Criminal Procedure, 1973 to apply	65	4.66
Disclosure of Information	66	4.66
Bar of suits in civil courts	67	4.67
Notice, etc., not to be invalid on certain grounds	68	4.67
Recovery of fine or penalty - If fine/penalty imposed u/s 13 or 63 is NOT paid within 6m, proceed to recover the amount as per Sch II of Income Tax Act	69	4.67
Offences by companies	70	4.67

Act to have overriding effect	71	4.68
Continuation of proceedings in the event of death or insolvency	72	4.68
Power to make rules	73	4.69
Rules to be laid before Parliament	74	4.71
Power to remove difficulties	75	4.71
PART A - Paragraph 1 to 29	Annexures	4.72
PART B - Offence u/s 132 of Customs Act	Annexures	4.81
PART C - Offences of cross border implications	Annexures	4.81

Chapter 5: The Foreign Exchange Management Act, 1999

Topics	Sec	Page No.
Introduction		
Introduction (Need for the Act, Salient Features and Enforcement)	-	5.2
Broad Structure of FEMA	-	5.3
2. PREAMBLE, EXTENT, APPLICATION AND COMMENCEMENT OF FEMA, 1999		
Preamble	-	5.5
Extent and Application	1	5.5
Commencement	-	5.5
3. DEFINITIONS [SECTION 2]		
Adjudicating Authority	2 (a)	5.6
Appellate Tribunal	2 (b)	5.6
Authorised person	2 (c)	5.6
Authorised Officer	2 (cc)	5.6
Bench	2 (d)	5.6
Capital Account Transaction	2 (e)	5.6
Competent Authority	2 (f)	5.6
Currency	2 (h)	5.6
Currency Notes	2 (i)	5.6
Current Account Transaction	2 (j)	5.6
Director of Enforcement	2(k)	5.7
Export	2 (l)	5.7
Foreign Currency	2 (m)	5.7
Foreign Exchange	2 (n)	5.7
Foreign Security	2 (o)	5.7
Import	2 (p)	5.7
Indian Currency	2 (q)	5.7
Member	2 (s)	5.7
Person	2 (u)	5.7
Person Resident in India	2 (v)	5.8
Person Resident Outside India	2 (w)	5.8
Prescribed	2 (x)	5.8
Repatriate to India	2 (y)	5.8
Security	2 (za)	5.8
Service	2 (zb)	5.9
Special Director (Appeals)	2 (zc)	5.9

Soecufy	2 (zd)	5.9
Transfer	2 (ze)	5.9
4.RESIDENTIAL STATUS UNDER FEMA, 1999		
Residential Status 3 purposes - Taking up employment, carrying on business or vacation, other purpose indicating stay for uncertain period	-	5.9
5. REGULATION AND MANAGEMENT OF FOREIGN EXCHANGE (Section 3 to 9)		
Dealing in foreign exchange, etc.	3	5.14
Holding of foreign exchange	4	5.15
Current Account Transactions	5	5.16
Prohibition of Drawal of Forex	Rule 3	5.17
- Schedule I (Transactions for which drawal of forex is prohibited)	Sch I	5.17
- Schedule II (Transactions, which require prior approval of the Government of India for drawal of forex)	Sch II	5.18
- Schedule III (Transactions which require RBI's prior approval for drawal of foreign exchange) Facilities for persons other than individual Not applicable - Where payment is made out of funds held in RFC	Sch III	5.19 & 5.21
Note - If the transaction is not listed in any of the above three schedules, it can be freely undertaken.	-	5.21
- i) Exemption for remittance under Sch II and III from RFC Account	-	5.21
- ii) Exemption for remittance under Sch II and III from EEFC Account (except P&I club, commission to agents)	-	5.21
- iii) Exemption for payment by International Credit Card while on a visit abroad	-	5.22
Liberalised Remittance Scheme (LRS - \$250,000)	5	5.22
Capital Account Transaction	6	5.22
I. Permissible Capital Account Transactions	Reg 3	5.31
- Schedule I (The list of permissible classes of transactions made by persons resident in India)	-	5.31
- Schedule II (The list of permissible classes of transactions made by persons resident outside India)	-	5.32
II. Transactions with no restriction - Amortisation of loan or depreciation of direct investment in OCOB	-	-
III. Prohibited Transactions	Reg 4	5.32
Method of Payment for investment	Reg 5	5.34
Declaration to be furnished	Reg 6	5.34
Capital Account Transactions Related to Immovable Property		
Capital Transactions - PRI vs IP outside India	6(4)	5.23

FEM (Acquisition and Transfer of Immovable Property <u>Outside India</u>) Regulations, 2018 (By a PRI)	Regulations	5.23
- Restriction on acquisition/trf of IP outside India - No PRI to acq/trf. w/o permission of RBI	Reg 3	5.23
- Exemptions - PRI who is national of foreign state or acquired by PRI on or before 8 th July 1947 and continued to hold with RBI permission)	Reg 4	5.23
- Acquisition & Trf of IP outside India by a PRI	Reg 5	5.23
Capital Transactions - NRI/OCI vs IP in India	6(5)	5.24
FEM (Acquisition and Transfer of Immovable Property in India) Regulations, 2018	Regulations	5.24
- Acquisition and Transfer of Property in India by NRI/OCI	Reg 3	5.24
- Acquisition of IP for carrying on a permitted activity No person from Pak, Bangladesh, Sri Lanka, Afghan, China, Iraq, Hong Kong, Macau, Nepal or Bhutan or DPRK	Reg 4	5.25
- Purchase/ sale of Immovable Property by Foreign Embassies/ Diplomats/ Consulate Generals	Reg 5	5.26
- Joint acquisition by the spouse of an NRI or an OCI (marriage is registered for continuous period of ≥ 2 years)	Reg 6	5.26
- Acquisition by a long-term visa holder	Reg 7	5.26
- Repatriation of sale proceeds - Permission of RBI or AD	Reg 8	5.27
- Prohibition on acquisition or transfer of IP in India by citizens of certain countries - Pak, Bangladesh, Sri Lanka, Afghan, China, Iraq, Hong Kong, Macau, Nepal or Bhutan or DPRK	Reg 9	5.28
- Prohibition on transfer of immovable property in India	Reg 10	5.28
- Miscellaneous	Reg 11	5.29
- Saving	Reg 12	5.29
EXTERNAL COMMERCIAL BORROWINGS		
All in cost	-	5.35
Approval route and Automatic route	-	5.35
ECB Framework	-	5.35
- Currency of borrowing	-	5.35
- Forms of ECB	-	5.35
- Eligible Borrowers	-	5.36
- Recognised lenders	-	5.36
- Minimum Average Maturity Period (MAMP)	-	5.36
- All-in-cost ceiling per annum	-	5.37
- Other costs	-	5.38
- End-uses (Negative list)	-	5.38
- Exchange rate	-	5.38

- Hedging provision	-	5.38
- Change of currency of borrowing	-	5.40
<u>Limit and leverage</u> (upto \$750 Mn and ECB Liability-equity ratio cannot exceed 7:1. Ratio not applicable if total ECB < = \$5Mn)	-	5.40
Issuance of Guarantee, etc. by Indian banks and Financial Institutions - Not permitted	-	5.40
Parking of ECB proceeds	-	5.40
Procedure of raising ECB	-	5.41
Reporting Requirements	-	5.41
1. Loan Registration Number (LRN)	-	5.41
2. Changes in terms and conditions of ECB	-	5.41
3. Monthly Reporting of actual transactions	-	5.42
4. Late Submission Fee (LSF) for delay in reporting	-	5.42
5. Standard Operating Procedure (SOP) for Untraceable Entities	-	5.42
Powers delegated to AD Category I banks to deal with ECB cases	-	5.43
1. Change of the AD Category I bank	-	5.43
2. Cancellation of LRN	-	5.43
3. Refinancing of existing ECB	-	5.43
4. Conversion of ECB into equity	-	5.43
5. Security for raising ECB	-	5.44
6. Permit for creation of charge	-	5.45
a. Creation of Charge on Immovable Assets	-	5.45
b. Creation of Charge on Movable Assets	-	5.45
c. Creation of Charge over Financial Securities	-	5.45
d. Issue of Corporate or Personal Guarantee	-	5.46
7. Additional Requirements	-	5.46
8. Special Dispensations under the ECB framework	-	5.47
1. ECB facility for Oil Marketing Companies	-	5.47
2. ECB facility for Startups	-	5.47
9. Borrowing by Entities under Investigation	-	5.48
10. ECB by entities under restructuring/ ECB facility for refinancing stressed assets	-	5.48
11. Dissemination of information	-	5.49
12. Compliance with the guidelines	-	5.49
Overseas Direct Investments by Resident Individuals		
PRI satisfying criteria of Sch V of prescribed regulation may make ODI in equity shares and CCPS of JV, WOS outside India	Reg 20A	5.49
Relevant statutory provision	-	5.49
General Permission to PRI for ODI:	-	5.50

Out of funds held in RFC, bonus shares in existing FC shares and when not permanently resident in India, out of their FC resources o/s India		
<u>Relevant Definitions:</u>		
Direct investment outside India	-	5.50
Financial Commitment	-	5.51
Joint Venture	-	5.51
Wholly Owned Subsidiary (WOS)	-	5.51
Indian Party	-	5.51
Host country	-	5.51
<u>Mode of direct investment outside India</u>	-	5.51
1. Automatic route for direct investment or financial commitment outside India	-	5.51
- Limit permissible	-	5.52
- Requirements for investments/ financial commitments	-	5.52
- Process	-	5.53
(2) Approval route for direct investment or financial commitment outside India	-	5.53
EXPORT OF GOODS AND SERVICES [SECTION 7]		
Export of Goods and Services	7	5.54
FEM (Export of Goods and Services) Regulations, 2015	Regulations	5.54
Declaration of exports	Reg 3	5.54
Exemptions	Reg 4	5.55
Indication of importer-exporter code number	Reg 5	5.56
Authority to whom declaration is to be furnished and the manner of dealing with the declaration	Reg 6	5.56
Evidence in support of declaration	Reg 7	5.57
Manner of payment of export value of goods	Reg 8	5.58
Period within which export value of goods/software/ services to be realised - Ordinary case - 9 months from date of export ; Warehouse - 15 months from date of shipment	Reg 9	5.58
Submission of export documents - Within 21 days of date of export	Reg 10	5.59
Transfer of documents	Reg 11	5.59
Payment for the Export	Reg 12	5.59
Certain Exports requiring prior approval	Reg 13	5.60
Delay in Receipt of Payment	Reg 14	5.60
Advance payment against exports - Ship within 1 year of advance	Reg 15	5.61
Issue of directions by Reserve Bank in certain cases	Reg 16	5.61
Project exports	Reg 17	5.62

REALISATION AND REPATRIATION OF FOREIGN EXCHANGE [SECTION 8 and 9]		
Realisation and Repatriation of foreign exchange	8	5.62
<u>FEM (Realisation, repatriation and surrender of forex) Regulations, 2015</u>	Regulations	
- Duty of persons to realise foreign exchange due	Reg 3	5.63
- Manner of Repatriation	Reg 4	5.63
- Period for surrender of realised foreign exchange - PROI - 90 days	Reg 5	5.64
- Period for surrender in certain cases PROI - Unspent forex - 60 days Currency note and coins - 90 days Travellers cheques - 180 days	Reg 6	5.64
- Period for surrender of received/ realised/ unspent/ unused foreign exchange by Resident individuals PRI - Unspent forex - 180 days	Reg 7	5.64
- Exemption - This regulations shall not apply to forex in form of currency of Nepal or Bhutan.	Reg 8	5.65
Exemption from realisation and repatriation in certain cases	9	5.65
Foreign Exchange Management (Possession and Retention of Foreign Currency) Regulations, 2015	Regulations	5.65
- Limits for possession and retention of foreign currency/coins Retention by a person resident in India (US \$2,000)	Reg 3	5.65
- Possession of foreign exchange by a person resident In India but not permanently resident therein	Reg 4	5.66
6. AUTHORISED PERSON [SECTION 10]		
Off Shore Banking Unit	-	5.66
Authorised Person (Offshore Banking Unit)	10	5.67
- Suborno Bose v/s ED - Contravention u/s 10(6) is a continuing actionable offence	-	5.68
Reserve Bank's powers to issue directions to authorised person Fine upto Rs. 10,000 + Additional Rs. 2,000 per day for default	11	5.68
Power of Reserve Bank to inspect authorised person	12	5.69
7. CONTRAVENTIONS AND PENALTIES (CHAPTER IV)		
Summary of Penalty u/s 11 ,13 ,13(1A) and 13(1C), 14	Summary	5.69
Penalties by AA: <u>Contravention of this Act/Rules/etc.</u> - Upto 3x of sum involved in contravention or upto Rs. 2 lakhs (if amount not quantifiable) + Continuing penalty - Upto Rs. 5,000 per day after first	13	5.70
<u>Any person acquired FC/security/IP outside India > threshold</u> - Upto 3x of sum involved in contravention AND confiscation of value equivalent in India	13(1A)	5.70
<u>In addition to penalty u/s 13(1A)</u> , such person shall also be liable for imprisonment for a term upto 5 years AND with a fine.	13(1C)	5.70
Enforcement of the orders of Adjudicating Authority	14	5.71

Power to recover arrears of penalty - Pay within 90 days or recovery as per Second Schedule	14A	5.73
8. COMPOUNDING OF OFFENCES		
Compounding Authority and Compounding of offences - Within 180 days	15	5.73
9. ADJUDICATION AND APPEAL		
Summary of Time Limits (Section 16, 17, 19, 19(5), 35)	Summary	5.74
Appointment of Adjudicating Authority	16	5.74
Appeal to Special Director (Appeals) - 45days	17	5.75
Appellate Tribunal	18	5.76
Appeal to Appellate Tribunal - 45days. To be disposed in 180 days	19	5.76
Qualifications, for appointment of Special Director (Appeals).	21	5.77
Terms and Conditions of service Special Director (Appeals)	23	5.77
Staff of Special Director (Appeals).	27	5.77
Procedure and powers of Appellate Tribunal and Special Dir (Appeals)	28	5.77
Right of appellant to take assistance of legal practitioner or chartered accountant and of Government, to appoint presenting officers	32	5.79
Officers and Employees etc., to be public servant	33	5.79
Civil court not to have jurisdiction	34	5.79
Appeal to High Court - 60 days + 60 days - Question of Law	35	5.79
10. DIRECTORATE OF ENFORCEMENT (Chapter VI)		
Directorate of Enforcement	36	5.80
Power of search and seizure	37	5.80
Special provisions relating to assets held outside India in contravention of section 4	37A	5.80
Empowering other officers	38	5.81
11. Miscellaneous (Chapter VII)		
Presentation as to documents in certain cases	39	5.82
Suspension of operation of this Act	40	5.82
Power of Central Government to give directions	41	5.83
Contravention by companies	42	5.83
Death or insolvency in certain cases	43	5.83
Bar Legal proceedings	44	5.84
Powers of Reserve Bank not to apply to International Financial Services Centre	44A	5.84
Removal of difficulties	45	5.84
Power to make rules	46	5.84
Power to make regulations	47	5.85
Rules and Regulations to be laid before Parliament	48	5.86
Repeal and Saving	49	5.86

Chapter 6: Prohibition of Benami Property Transactions Act, 1988

Topics	Sec	Page No.
1. Introduction		
Introduction and why people tend to do Benami Transaction	-	6.2
The Benami Transactions (Prohibition) Amendment Act, 2016	-	6.3
Structure of the Act	-	6.3
Motive behind the enactment of this Act	-	6.4
2. Preliminary [Chapter 1]		
Short Title, Extent and Commencement	1	6.4
Adjudicating Authority	2(1)	6.5
Administrator	2(2)	6.5
Appellate Tribunal	2(3)	6.5
Approving Authority	2(4)	6.5
Attachment	2(5)	6.5
Authority	2(6)	6.5
Banking Company	2(7)	6.5
Benami Property	2(8)	6.6
Benami Transaction	2(9)	6.6
Examples of Benami Transactions	-	6.8
Judicial pronouncements on tests for determination of a benami transaction	2(9)	6.8-6.9
Benamidar	2(10)	6.11
Bench	2(11)	6.11
Beneficial Owner	2(12)	6.11
Board	2(13)	6.12
Director	2(14)	6.12
Executor	2(15)	6.12
Fair Market Value - As on date of Transaction	2(16)	6.12
Price of unquoted equity shares	Rule 3	6.12
Firm	2(17)	6.15
High Court	2(18)	6.15
Initiating Officer	2(19)	6.15
Member	2(20)	6.15
Notification	2(21)	6.15
Partner	2(22)	6.15
Partnership	2(23)	6.16
Person	2(24)	6.16
Prescribed	2(25)	6.16
Property	2(26)	6.16

Public Financial Institution	2(27)	6.16
Special Court	2(28)	6.17
Transfer	2(29)	6.17
Trustee	2(30)	6.17
Words and expressions	2(31)	6.17
3. Prohibition of Benami Transactions (Chapter II)		
Prohibition of benami transactions	3	6.17
Prohibition of the right to recover property held benami	4	6.18
Property held Benami liable to confiscation	5	6.19
Prohibition on retransfer of property by Benamidar	6	6.19
4. Authorities (Chapter III)		
Adjudicating Authority	7	6.20
Authorities and jurisdiction	18	6.20
Powers of authorities (as vested in Civil Court)	19	6.21
Certain officers to assist in inquiry, etc	20	6.22
Power to call for information	21 + Rule 4	6.22
Power to impound documents	22	6.23
Power of initiation officer to conduct inquiry/investigation, etc. Refer CS - 7 of CSD	23	6.24
5. Attachment, Adjudication and Confiscation (Chapter IV)		
Notice and attachment of property involved in benami transaction	24	6.24
Manner of service of notice	25	6.26
Adjudication of benami property	26	6.26
Confiscation and vesting of benami property	27	6.28
Management of properties confiscated	28	6.30
Possession of the property	29	6.31
6. Appellate Tribunal (Chapter V)		
Establishment of Appellate Tribunal	30	6.32
Composition, etc., of Appellate Tribunal	31	6.32
Qualifications for appointment of Chairperson and Members of Appellate Tribunal	32	6.33
Terms and conditions of services of Chairperson and Members of Appellate Tribunal	33	6.34
Term of office of Chairperson and Members	34	6.34
Removal of Chairperson and Member from office in certain circumstances	35	6.34
Vacancies, etc., not to invalidate proceedings of Appellate Tribunal	36	6.36
Resignation and removal	37	6.36
Member to act as Chairperson in certain circumstances	38	6.36
Staff of Appellate Tribunal	39	6.37
Procedure and powers of Appellate Tribunal	40	6.37
Distribution of business amongst Benches of Appellate Tribunal	41	6.38
Power of Chairperson of Appellate Tribunal to transfer cases	42	6.38

Decision to be by majority	43	6.38
Members, etc., to be public servants	44	6.39
Bar of jurisdiction of civil courts	45	6.39
Appeals to Appellate Tribunal	46	6.39
Rectification of mistakes	47	6.41
Right to representation	48	6.41
Appeal to High Court	49	6.42
7. Special Court (Chapter VI)		
Special Courts	50	6.43
Application of Code of Criminal Procedure, 1973 to proceedings before Special Court	51	6.44
Appeal and revision	52	6.44
8. Offences and Prosecution (Chapter VII)		
Penalty for benami transaction Rigorous jail 1-7 year AND fine upto 25% of FMV	53	6.45
Penalty for false information Rigorous jail 6m to 5 years AND fine upto 10% of FMV	54	6.46
Penalty for non-compliance of summons issued u/s 19(1) or failure to furnish information as required u/s 21 - Rs. 25,000 for each failure	54A	6.46
Proving the entries in the records or other documents to be admitted as evidence	54B	6.46
Previous sanction	55	6.47
9. Miscellaneous (Chapter VIII)		
Repeal of provisions of certain Acts	56	6.47
Certain transfers to be null and void	57	6.47
Exemption	58	6.48
Power of Central Government to issue directions, etc.	59	6.48
Offences by companies	60	6.49
Offences to be non-cognizable	61	6.49
Offences by companies	62	6.49
Notice, etc., not to be invalid on certain grounds	63	6.50
Protection of action taken in good faith	64	6.50
Transfer of pending cases	65	6.50
Proceedings, etc., against legal representative	66	6.50
Act to have overriding effect	67	6.51
Power to make rules	68	6.51
Laying of rules and notifications before Parliament	69	6.52
Power to remove difficulties	70	6.52
Transitional provision	71	6.53
Repeal and saving	72	6.53

Chapter 7: The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Topics	Sec	Page No.
1. Introduction		
Introduction	-	7.2
- <i>S Karthik v/s N. Subhash Chand Jain</i>	-	7.3
Object behind enactment of the Act	-	7.3
- <i>Standard Chartered Bank vs Dharminder Bhohi</i>	-	7.3
2. Preliminary [Definitions]		
Preliminary	1	7.5
- <i>Mardia Chemicals Ltd.</i>	-	7.5
Appellate Tribunal	2(a)	7.5
Asset reconstruction	2(b)	7.6
Asset reconstruction company	2(ba)	7.6
Bank	2(c)	7.6
Banking company	2(d)	7.6
Board	2(e)	7.6
Borrower	2(f)	7.6
Central Registry	2(g)	7.7
Corresponding new bank	2(h)	7.7
Debt	2(ha)	7.7
Debts Recovery Tribunal	2(i)	7.7
Debt securities	2(ia)	7.7
Default	2(j)	7.7
Financial assistance	2(k)	7.8
Financial asset	2(l)	7.8
Financial institution	2(m)	7.9
Financial lease	2(ma)	7.9
Hypothecation	2(n)	7.9
Negotiable document	2(na)	7.9
Non-performing asset	2(o)	7.9
Obligor	2(p)	7.10
Originator	2(r)	7.10
Property	2(t)	7.10
Qualified buyer	2(u)	7.10
Scheme	2(y)	7.10
Securitisation	2(z)	7.11
Security agreement	2(zb)	7.11

Secured asset	2(zc)	7.11
Secured debt	2(ze)	7.11
Security interest	2(zf)	7.11
Security receipt	2(zg)	7.11
Sponsor	2(zh)	7.12
Regulation of Securitisation and Reconstruction of Financial Assets of Banks/FI - chapter II [section 3 to 12B]		
Registration of asset reconstruction companies.	3	7.14
Cancellation of certificate of registration <i>Appeal to CG within 30 days</i>	4	7.16
Acquisition of rights or interest in financial assets.	5	7.17
Transfer of pending applications to any one of Debts Recovery Tribunals in certain cases.	5A	7.19
Notice to obligor and discharge of obligation of such obligor.	6	7.20
Issue of security by raising of receipts or funds by asset reconstruction company.	7	7.20
Exemption from registration of security receipt.	8	7.21
Measures for assets reconstruction.	9	7.22
Other functions of asset reconstruction company.	10	7.23
Resolution of disputes.	11	7.24
Power of Reserve Bank to determine policy and issue directions.	12	7.24
Power of Reserve Bank to call for statements and information.	12A	7.24
Power of Reserve Bank to carry out audit and inspection.	12B	7.25
Enforcement of Security Interest [Section 13 to 19]		
Enforcement of security interest - Notice to discharge liability <u>within 60 days</u> of date of notice - Borrower may make representation. - If Sec. cr. rejects representation, communicate to borrower <u>within 15 days</u> along with reasons for non-acceptance - Above reason shall not confer any right upon borrower to prefer an application to DRT	13	7.27
What is a Non-Performing Asset	-	7.29
Demand Notice	Rule 3	7.29
Procedure after issue of notice	Rule 4	7.33
Valuation of movable secured asset and fix reserve price	Rule 5	7.34
Sale of movable secured asset a. Obtaining quotation from parties dealing in such asset b. Inviting public tenders c. Holding public auctions	Rule 6	7.34

d. By Private treaty		
Auth. officer to serve a <u>30 days' notice</u> for sale of such asset		
Issue of Certificate of Sale	Rule 7	7.35
Sale of Immovable Secured Asset	Rule 8	7.37
Time of sale, Issue of sale certificate, delivery of possession, etc. No sale to take place before expiry of 30 days from date of public notice of sale	Rule 9	7.39
Appointment of Manager	Rule 10	7.41
Procedure for recovery of shortfall of secured debt	Rule 11	7.44
<u>Case Laws:</u>	-	-
- JM Financial ARC vs. State of Maharashtra - Section 35 prevails over any other law	-	7.31
- Devi Ispat vs. SBI - Borrower has right to make representation u/s 13(3A) but cannot challenge non-acceptance of such rep.	-	7.31
- Anil Kumar Batla vs. Allahabad Bank - Auction sale on the basis of notice published in newspaper having low circulation in locality where property was situated was NOT valid.	-	7.39
- J. Rajiv Subramaniyan v. Pandiyas - Sale of secured asset by private treaty without informing borrower is illegal	-	7.41
- Mathew Varghese v. Mr. Amritha Kumar - Borrower can tender to the creditor the due together with cost at any time before date fixed for sale or transfer	-	7.43
Joint Lender of Financial Asset	13(9)	7.43
Chief Metropolitan Magistrate or District Magistrate to assist secured creditor in taking possession of secured asset (30+30 days) Refer C. Bright V/s The District Collector & Ors Case Law from Significant Case law sheet	14	7.45
Manner and effect of take-over of management	15	7.46
No compensation to directors for loss of office.	16	7.48
Application against measures to recover secured debts. Person aggrieved by measures u/s 13(4) may make application (Form given in Appendix VII) to the DRT within 45 days from date of such measures. Application by lessee or tenant shall be made in form in Appendix X	17	7.48
Appeal to Appellate Tribunal - Within 30 days + Deposit 50% of debt due Refer Union Bank of India v/s Rajat Infrastructure Pvt. Ltd. & Ors. Case Law from Significant Case law sheet	18	7.51
Fees for applications u/s 17 and Appeal u/s 18	Rule 13	7.51
Validation of fees levied	18A	7.52
Right to lodge a caveat	18C	7.53
Right of borrower to receive compensation and costs in certain case	19	7.53
Central Registry [Section 20 to 26A]		

Central Registry	20	7.55
Integration of registration systems with Central Registry.	20A	7.56
Delegation of powers	20B	7.57
Central Registrar	21	7.57
Register of Securitisation, Reconstruction and security interest transactions	22	7.57
Maintenance of Central Register	Rule 3	7.58
Time Limit for Registration and Condition of Delay File within 30 days (+30 days) of transaction	Rule 5	7.58
Filing of transactions of Securitisation, Reconstruction and creation of security interest.	23	7.59
Manner in which particular transaction are to be filed with Central Registry	Rule 4	7.59
Fees for filing with Central Registry	Rule 7	7.60
Modification of security interest registered under this Act	24	7.62
ARC / Secured creditors to report satisfaction of security interest Inform to Central Registrar within 30 days of such satisfaction.	25	7.62
Right to inspect particulars of Securitisation, Reconstruction and security interest transactions	26	7.63
Inspection of records of Central Registry	Rule 6	7.63
Rectification by CG in matters of registration, modification, and satisfaction, etc.	26A	7.64
Registration by Secured Creditor and Other Creditors [Section 26B to 26E]		
Registration by secured creditors and other creditors	26B	7.65
Effect of the registration of transactions, etc	26C	7.66
Right of enforcement of securities	26D	7.66
Priority to secured creditors	26E	7.67
Offences and Penalties [Section 27 to 30D]		
Penalties - Upto Rs. 5,000 per day during which default continues	27	7.67
Offences - Jail upto 1 year or fine or both	29	7.68
Cognizance of offence No court to take cognizance except upon complaint made by officer of central registry or an officer of RBI	30	7.68
Power of adjudicating authority to impose penalty Higher of (a) Not > Rs. 1 crore or (b) 2x amount involved Continuing default - Further penalty of Rs. 1 lakh/day Payable within 30 days of issue of notice	30A	7.69
Appeal against penalties - Within 30 days of order	30B	7.70
Appellate Authority	30C	7.70
Recovery of penalties	30D	7.71

Miscellaneous [Section 31 to 42]		
Provisions of this Act not to apply in certain cases Where financial exceed < Rs. 1 lakh or where amount due is <25% of principal and interest thereon	31	7.74
Power to exempt a class or classes of banks or financial institutions.	31A	7.74
Protection of action taken in good faith.	32	7.75
Offences by companies.	33	7.75
Civil court not to have jurisdiction.	34	7.76
The provisions of this Act to override other laws.	35	7.76
JM Financial ARC v. Board of Trustee of the Port of Mumbai - Rights of pre-existing tenants were unaffected by provision of SARFAESI Act and merely because he landlord had mortgaged the ownership rights, the tenants cannot be thrown out of the prop	-	7.76
Limitation	36	7.77
Application of other laws not barred.	37	7.77
Power of Central Government to make rules.	38	7.77
Certain provisions of this Act to apply after Central Registry is set up or cause to be set up.	39	7.78
Power to remove difficulties.	40	7.79
Amendments to certain enactments.	41	7.80
Repeal and saving	42	7.80