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***Reserve Bank of India vide notification dated October 09, 2024, has modified Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit***

- RBI vide notification dated October 09, 2024, has modified Interest Equalization Scheme (IES) on Pre and Post Shipment Rupee Export Credit.
- Government of India, vide Trade Notice No.18/2024-2025 dated September 30, 2024, has allowed for an extension of the Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') for three months up to December 31, 2024, with the following modifications to the Scheme:
  - a. Fiscal benefits of each MSME, on aggregate, will be restricted to INR 50 lakhs for the Financial Year 2024-25 till December 31, 2024.
  - b. Accordingly, MSME manufacturer exporters who have already availed equalisation benefits of INR 50 lakhs or more in the Financial Year 2024-25 till September 30, 2024, will not be eligible for any further benefit in the extended period
- The notification is attached herein.

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***Securities and Exchange Board of India vide circular dated October 08, 2024, has issued specific due diligence of investors and investments of AIFs***

- Securities and Exchange Board of India vide circular dated October 08, 2024, has issued specific due diligence of investors and investments of AIFs.
- The specific due diligence to be carried out by AIFs, managers of AIFs and their Key Management Personnel, with respect to investors and investments of the AIF, to prevent facilitation of circumvention of the following regulatory frameworks, are being specified in this circular-



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- I. Provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'), and other regulations of SEBI wherein benefits or relaxations have been provided to entities designated as Qualified Institutional Buyers (QIBs).
  - II. Provisions of the 'Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act) wherein benefits are provided to entities designated as Qualified Buyers (QBs).
  - III. Prudential norms specified by Reserve Bank of India (RBI) for regulated lenders with respect to Income Recognition, Asset Classification, Provisioning and restructuring of stressed assets.
  - IV. Rule 6 of Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (NDI Rules) for investment from countries sharing land border with India (read with Press Note 3 dated April 17, 2020 of FDI Policy 2020).
- This circular shall come into force with immediate effect.
  - The circular is attached herein.

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***Insolvency and Bankruptcy Board of India vide circular dated October 09, 2024, has extended the time for filing Forms to monitor liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder***

- Insolvency and Bankruptcy Board of India vide circular dated October 09, 2024, has extended the time for filing Forms to monitor liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.
- The liquidators were directed to file forms relating to the liquidation process latest by 30.09.2024. In this regard, representations have been received from



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the liquidators and Insolvency Professional Agencies for extending the date citing the technicalities and issues involved in the submission of the forms.

- It has been decided to extend the last date of submission of the forms till 30.11.2024.
- The circular is attached herein.

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### **PENDENCY OF CIVIL SUIT NO GROUND TO REJECT SECTION 7 APPLICATION WHEN DEBT ALREADY PROVED**

The Hon'ble National Company Law Appellate Tribunal, Principal Bench (hereinafter "NCLAT") bench comprising of Justice Ashok Bhushan (Chairperson), Barun Mitra (Member Technical), Arun Baroka (Member Technical) while adjudicating a Company Appeal under Insolvency and Bankruptcy Code, 2016, has held pendency of civil suit is no reason to dismiss an application under Section 7 of IBC when debt and default are already proven by the Financial Creditor.

### **BRIEF FACTS OF THE CASE**

Financial Creditor had filed a winding up petition against the Corporate Debtor under the Companies Act, 2013 which was transferred to Adjudicating Authority,

Ahmedabad Bench. Financial Creditor had also filed a civil suit in 2017 for the same transaction. The Adjudicating Authority in the impugned order had held that the debt and default on the part of corporate debtor was proved and admitted the application under Section 7 of IBC. Company Petition was filed at the time when the threshold for



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initiating Corporate Insolvency Resolution Process was only INR 1 Lac.

### **HON'BLE NCLAT'S JUDGMENT**

The Hon'ble NCLAT, held that civil suit was no reason for not proceeding to admit the Section 7 Application when debt and default were proved. The NCLAT found no error in the order of NCLT which admitted the Section 7 Application and thus, the Appeal was dismissed.

**Case Number: *Company Appeal (AT) (Insolvency) No. 1851 of 2024***

**Case Title: *Navin Chandra Mishra (Suspended Director of CMR Lifesciences Pvt. Ltd.) v. Nand Kishore Palaha & Ors..***

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