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Securities Exchange Board of India vide circular dated May 03, 2023, has Introduced Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts

- SEBI vide circular dated May 03, 2023, has Introduced Legal Entity Identifier (LEI) for issuers who have listed and/ or propose to list non-convertible securities, securitised debt instruments and security receipts.
- LEI is a unique global identifier for legal entities participating in financial transactions. LEI is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20-character code to identify legally distinct entities that engage in financial transactions. Presently, RBI directions, inter alia, mandate non-individual borrowers having aggregate exposure of above Rs. 25 crores, to obtain LEI code.
- In view of the above, issuers having outstanding listed non-convertible securities as on August 31, 2023, shall report/ obtain and report the LEI code in the Centralized Database of corporate bonds, on or before September 1, 2023. Similarly, issuers having outstanding listed securitised debt instruments and security receipts as on August 31, 2023, shall report/ obtain and report the LEI code to the Depository(ies), on or before September 1, 2023
- The circular is herein attached.

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Securities Exchange Board of India vide circular dated May 04, 2023, has issued Additional requirements for the issuers of Transition Bonds

- RBI vide circular dated April 26, 2023, has issued amendment to Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS).
- Transition bonds' is one of the sub categories of the revised definition of 'green debt security'. As per the SEBI (Issue and Listing of Non-Convertible Securities), transition bonds comprise of "funds raised for transitioning to a more sustainable form of operations, in line with India's Intended Nationally Determined Contributions."
- In order to facilitate transparency and informed decision making amongst the investors in the transition bonds and to ensure that the funds raised through transition bonds are not being misallocated, it has been decided to prescribe certain additional requirements for issuance and listing of transition bonds.
- The circular is herein attached.

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NCLAT DELHI'S HOLDS THAT INTEREST MAY BE INCLUDED IN REACHING THE THRESHOLD OF 1 CRORE FOR FILING A SECTION 9 PETITION SEEKING CIRP OF CORPORATE DEBTOR

The NCLAT Principal Bench comprising of Justice Ashok Bhushan (Chairperson) and Mr. Barun Mitra (Technical Member), has held that interest amount can be included to meet the threshold of INR 1 Crore as provided under Section 4 of the Insolvency and Bankruptcy Code, 2016.



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BRIEF FACTS OF THE CASE

M/s. Bhotika Trade & Services Pvt. Ltd. (“**Financial Creditor**”) had filed an application against M/s Avinash EM Projects Pvt. Ltd. (“**Corporate Debtor**”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) before the Hon’ble National Company Law Tribunal, New Delhi bench, seeking CIRP of the Corporate Debtor. The said application was dismissed on account of the principal amount being less than 1 crore i.e., less than the threshold provided under Section 4 of IBC. Aggrieved by the decision of the Hon’ble NCLT, the Financial Creditor filed an appeal before the Hon’ble Appellate Tribunal.

The Hon’ble Appellate Tribunal, taking into account the admission of the Corporate Debtor qua the interest amount levied by the Financial Creditor, wherein the Corporate debtor stated that the emails with respect to admission of amount were not denied and formed part of normal practice of the business.

NCLAT’s Judgment

The Hon’ble NCLAT, taking into account the admission of the Corporate Debtor qua the interest levied by the Financial creditor and placing reliance on its decision in ***Prashant Agarwal v. Vikash Parasrampuriah & Anr.***, set aside the decision of the Hon’ble NCLT and directed the Hon’ble NCLT to consider the matter afresh on merits.

Case Title: ***Bhotilka Trade & Services Pvt. Ltd. v. Avinash EM Projects Pvt. Ltd.***

Case No: ***Company Appeal (AT) (Insolvency) No. 83 of 2023***



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