

# Info Capsule

Friday  
April 16, 2021

**President :** CS Nagendra D. Rao

**Vice President :** CS Devendra V. Deshpande

## ❖ **Securities Laws and Capital Markets**

### **Adjudication Order**

#### • **In the matter of Garware Polyester Limited (GPL)**

SEBI imposed a penalty of Rs. 1 lakh on Mr. Bharat Jayantilal Patel (Noticee No.1), to be payable individually, for failing to make requisite disclosure to GPL and BSE under regulation 13(1) and 13(3) read with regulation 13(5) of the Prohibition of Insider Trading Regulations with regard to acquisition of shares and change in shareholding. Also, a penalty of Rs. 2 Lakh has been imposed on all Noticees (Noticee No. 1 to 8), to be payable jointly and severally, on failing to make requisite disclosure to GPL and BSE under regulation 29(1) and 29(2) read with 29(3) of the SAST Regulations.

*For details:*

[https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-8-noticees-in-the-matter-of-garware-polyester-limited\\_49827.html](https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-8-noticees-in-the-matter-of-garware-polyester-limited_49827.html)



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**भारतीय कम्पनी सचिव संस्थान**

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(Under the jurisdiction of Ministry of Corporate Affairs)

## ❖ **Banking and Insurance**

#### • **Constitution of the Regulations Review Authority 2.0 (April 15, 2021)**

The Reserve Bank of India had set up a Regulations Review Authority (RRA) initially for a period of one year from April 1, 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. The recommendations of the RRA enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, paved the way for issuance of master circular and reduced reporting burden on regulated entities.

*For details:*

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=51421](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51421)

#### • **Citigroup announces retail business exit from India, 12 other countries (April 15, 2021)**

Citigroup on April 15, 2021 said it was exiting retail banking in India and 12 other countries across Asia and parts of Europe to focus on its wealth management business, as it lacked the “scale” to compete in this space. The decision to exit retail businesses from a few markets was one of the first moves by newly appointed CEO Jane Fraser after she took over the US-headquartered bank in February.

*For details:*

[https://www.business-standard.com/article/companies/citigroup-announces-retail-business-exit-from-india-12-other-countries-121041501272\\_1.html](https://www.business-standard.com/article/companies/citigroup-announces-retail-business-exit-from-india-12-other-countries-121041501272_1.html)

- **RBI reveals names of applicants for universal bank, SFB licences (April 16, 2021)**

The Reserve Bank of India (RBI) on April 15, 2021 announced names of applicants under its on-tap licensing window for universal banks and small finance banks (SFBs). The list includes a foreign exchange services provider, two cooperative banks and a former banker.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/rbi-reveals-names-of-applicants-for-universal-bank-sfb-licences/2234122/>

### ❖ **Business and Economic News**

- **Amazon Starts \$250 Million Venture Fund Targeting Tech In India (April 16, 2021)**

Amazon's launch of a \$250 million venture fund focused on India is the Big Tech Company's next big step for its investment program targeting the subcontinent.

The \$250 million Amazon Smbhav Venture Fund will invest in startups and entrepreneurs in the areas of agriculture, healthcare and the digitization of small to medium-sized businesses (SMBs). The fund plans to invest in "technology-led startups."

*For details:*

<https://www.pymnts.com/amazon-investments/2021/amazon-starts-250m-venture-fund-in-india/>

### ❖ **Terminology for today**

#### **Asset Tokenization**

Security token that represent direct ownership in an asset or through a derivative. Examples include stocks, futures, options, art, IP and real property.

### ❖ **Market Watch**

#### **Stock Market Indices as on 16.04.2021**

S & P BSE Sensex	48832.03 (+28.35)
Nifty 50	14617.85 (+36.40)

#### **Foreign Exchange Rates as on 15.04.2021**

*(<https://www.geojit.com/currency-futures/rbi-reference-rate>)*

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
75.09	103.45	89.86	0.69

❖ **Pronouncement**

April 13, 2021	<i>Ghanashyam Mishra and Sons Private Limited through the Authorized Signatory(Appellant) Vs. Edelweiss Asset Reconstruction Company Limited through the Director &amp; Ors (Respondent)</i>	<i>Supreme Court of India [Civil Appeal No. 8129 of 2019 with WP (Civil) No. 1177 of 2020 and Civil Appeals No. 1550-1554 of 2021</i>
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**Whether any creditor, including the Central Government, State Government or any local authority is bound by the resolution plan once it is approved by an AA under sub-section (1) of section 31 of the Code?**

**Judgment**

In this case Hon'ble Supreme Court of India observed that A bare reading of section 31 makes it abundantly clear that once a resolution plan is approved by the AA, after it is satisfied that the resolution plan as approved by CoC meets the requirements as referred to in sub-section (2) of section 30, it shall be binding on the CD and its employees, members, creditors, guarantors and other stakeholders. Such a provision is necessitated since one of the dominant purposes of the Code is revival of the CD and to make it a running concern.

Further, the Hon'ble court observed that once a resolution plan is duly approved by the AA under sub-section (1) of section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the CD and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

For details;

<https://www.ibbi.gov.in/uploads/legalframework/e4abe155c7c4a5e6eb66291650fdee24.pdf>

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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