

Info Capsule

Wednesday
February 09, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ *Business and Economic News*

SC denies nod to Amazon to file written note in a case filed by Future Retail (February 08, 2022)

The Supreme Court on February 08, 2022 did not allow Amazon to file written submission in a case related to Future Retail's plea for nod to proceed with the National Company Law Tribunal (NCLT) permission of going ahead with Rs 24,731 crore merger deal with Reliance Retail. The Supreme Court, which had reserved its order on February 3, was irked over the alleged delayed request of the US-based e-commerce major to file the written note in the case and said that it appeared to be a "luxurious litigation".

For details:

https://www.business-standard.com/article/companies/sc-denies-nod-to-amazon-to-file-written-note-in-case-filed-by-future-retail-122020801621_1.html



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❖ *Business and Economic News*

IL&FS to distribute Rs 20,000 cr proceeds to creditors by March end (February 09, 2022)

The board of debt laden Infrastructure Leasing & Financial Services (IL&FS) has approved a proposal enabling interim distribution of proceeds to the extent of Rs 20,000 crore by March end (2022) to creditors of the group from the resolution of the entities of the group. An affidavit has been filed with National Company Law Appellate Tribunal (NCLAT) by the government on behalf of IL&FS to permit and approve the interim distribution mechanism, post which the proceeds can be transferred to the creditors.

The decision of interim distribution of proceeds was taken because the group is expected to have a considerable amount of distributable assets, both in the form of cash and infrastructure investment trust (InvIT) units, by March. Also, despite a significant amount of debt being addressed, debt of majority of the creditors has not been settled since the group went bust in 2018, except in case of category II entities, where the financial bid amount offered by the successful bidder was less than the liabilities of the entities.

For details:

https://www.business-standard.com/article/companies/il-fs-to-distribute-rs-20-000-cr-proceeds-to-creditors-by-march-end-122020800752_1.html#:~:text=The%20board%20of%20debt%20laden,the%20entities%20of%20the%20group.

❖ *Insolvency and Bankruptcy*

Release of publication “Frequently Asked Questions (FAQs)” on Insolvency and Bankruptcy Code, 2016 (February 08, 2022)

The Insolvency and Bankruptcy Board of India, in association with the Committee on Insolvency & Bankruptcy Code, Institute of Chartered Accountants of India (ICAI), released a publication titled “Frequently Asked Questions (FAQs)” on Insolvency and Bankruptcy Code, 2016.

The publication is the revised, enriched version of the publication released by ICAI in 2017, with a view to create awareness and disseminate knowledge about the Code, in easy-to-understand FAQs format. The revised edition covers the developments in the Code and subordinate legislation during the period. The publication is available at <https://ibbi.gov.in/publication/study-materials>

For details:

<https://ibbi.gov.in/uploads/press/65eee8f676076151ff311ece435abae3.pdf>

❖ *Terminology for today*

Channel Stuffing

Channel stuffing is a deceptive business practice used by a company to inflate its sales and earnings figures by deliberately sending retailers along its distribution channel more products than they are able to sell to the public. Channel stuffing typically would take place just before quarter-end or year-end so that management, fearful of bad consequences to their compensation, can "make their numbers."

❖ *Market Watch*

Stock Market Indices as on 09.02.2022	
S & P BSE Sensex	58465.97(+657.39)
Nifty 50	17463.80(+197.05)

Foreign Exchange Rates as on 08.02.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.61	85.20	101.02	0.65

❖ **Banking and Insurance**

- **‘Normalisation’ may kick off: RBI likely to hike reverse repo (February 08, 2022)**
The Reserve Bank of India (RBI) is expected to start the process of normalisation of the accommodative monetary policy by increasing the reverse repo rate — the rate at which the RBI borrows money from banks — in the forthcoming review on February 10. With the Covid pandemic impacting the recovery, there could be a slight downward revision in the GDP growth rate for FY22, analysts said.

For details:

<https://indianexpress.com/article/business/banking-and-finance/normalisation-may-kick-off-rbi-likely-to-hike-reverse-repo-7761521/>

- **Over 1,45,000 bank fraud complaints in FY21 (February 08, 2022)**
Fraud complaints registered by the RBI under the various Ombudsman schemes in different categories have risen to 1,45,309 in 2020-21 against 1,35,448 in FY20, Finance Minister Nirmala Sitharaman informed the Rajya Sabha on February 08, 2022. "RBI has informed that on comparing the complaints against ATM/Debit Cards, Credit Cards and Mobile/Electronic Banking during the period from 2019-20 to 2020-21, there is a decline of 13.01%.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/over-145000-bank-fraud-complaints-in-fy21/articleshow/89437990.cms>

- **Mudra loan target not met in FY21 (February 09, 2022)**
Financial institutions missed the annual target given by the government Under Pradhan Mantri Mudra Yojana (PMMY) in FY21 by Rs. 28,000 crore, on account of pandemic. The national level target under PMMY have been consistently met since inception of the scheme. However, in FY21, an amount of Rs. 3.22 lakh crore was sanctioned under PMMY against the target of Rs. 3.50 lakh crore, MoS in the Ministry of Finance, Bhagwat Karad stated in Rajya Sabha on February 08, 2022.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/mudra-loan-target-not-met-in-fy21/articleshow/89437997.cms>

Prepared by Directorate of Academics

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