

Info Capsule

Wednesday
June 15, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Securities Laws & Capital Markets**

SEBI News

Capital Small Finance Bank pays Rs 5.8 lakh to settle case with SEBI (June 14, 2022)

Capital Small Finance Bank has settled with SEBI a case pertaining to alleged violations of regulatory norms during allotment of its equity shares after paying Rs 5.8 lakh towards settlement charges. The order came after the bank proposed to settle the alleged violations through a settlement order. Capital Small Finance Bank had made allotment of its equity shares to 402 persons on 14 occasions in tranches from May 2004 to March 2005. The allotment was allegedly in violation of the Companies Act, and SEBI's DIP (Disclosure and Investor Protection) Guidelines, the order mentioned.

For details:

<https://www.moneycontrol.com/news/business/capital-small-finance-bank-pays-rs-5-8-lakh-to-settle-case-with-sebi-8685741.html>



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❖ **Banking and Insurance**

• **Nomination of part-time Non-official Directors on the Central Board of Reserve Bank of India (June 14, 2022)**

The Central Government has nominated Shri Anand Gopal Mahindra, Shri Venu Srinivasan, Shri Pankaj Ramanbhai Patel and Dr Ravindra H. Dholakia as part-time non-official Directors on the Central Board of Reserve Bank of India, for a period of four years with effect from June 14, 2022 or until further orders, whichever is earlier.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53864

• **Bank finance to Government owned entities India (June 14, 2022)**

Banks/ FIs have also been found to have violated Reserve Bank of India's instructions which inter alia require that in case of projects undertaken by government owned entities, term loans should be sanctioned only for corporate bodies; due diligence should be carried out on viability and bankability of the projects to ensure that revenue stream from the project is sufficient to take care of the debt servicing obligations; and that the repayment/ servicing of debt is not from budgetary resources. Banks are advised to carry out a review and place before their Boards, a comprehensive report on the status of compliance with the instructions within three months from the date of this circular.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12339&Mode=0>

• **India, Russia apex banks to work on payment system this week (June 15, 2022)**

Officials of the Reserve Bank of India and the Bank of Russia are set to meet this week to give the finishing touches to a bilateral payment system to ensure smooth trade flows between the two nations without violating global sanctions. Russia faces increasingly tighter sanctions after having invaded Ukraine at the end of February.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/india-russia-apex-banks-to-work-on-payment-system-this-week/articleshow/92215361.cms>

❖ ***Insolvency and Bankruptcy***

• **Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2022 (June 14, 2022)**

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2022”. The amendments *inter-alia* provides that:

- In the principal regulations, for the word “clients”, wherever it occurs, the word “stakeholders” shall be substituted.
- Under Chapter III, new chapters namely; Chapter III-A (Investigation during Disposal of Complaint or Grievance) and Chapter III-B (Interim Order on Material Available on Record) has been inserted.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/6247821df2e2415602c57c2e1ea406b0.pdf>

• **Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2022 (June 14, 2022)**

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2022”. The amendments *inter-alia* provides that:

- “Record of default” means the status of authentication of default issued in Form D of the Schedule.”
- In the regulation 20 of the principal regulations, a sub-regulation is inserted stating, before filing an application to initiate corporate insolvency resolution process under section 7 or 9, as the case may be, the creditor shall file the information of default, with the information utility and the information utility shall process the information for the purpose of issuing record of default in accordance with regulation 21.
- In the principal regulations, in the Schedule, Form D* (Record of Default) is inserted.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/757420e96c77f5796f9cd936bba213a4.pdf>

• **Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022 (June 14, 2022)**

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated June 14, 2022 has notified “Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022”. The amendments *inter-alia* provides that:

- The operational creditor shall, alongwith application under section 9, furnish copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable:

Provided that provisions of this regulation shall not apply to those operational creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax.

- The financial creditor or operational creditor shall, while filing application under section 7 or 9, as the case may be, also furnish details of his/ its— (a) Permanent Account Number; and (b) Email-ID.”

For details:

<https://www.ibbi.gov.in/uploads/legalframework/4ab776f8d603aded095baf85e1c22c86.pdf>

❖ **Arbitration Law**

Establishes of New Delhi International Arbitration Centre (June 13, 2022)

Section 3 of the New Delhi International Arbitration Centre Act, 2019 (the said Act) empowers the Central Government to establish a body to be called the New Delhi International Arbitration Centre for the purposes of exercising the powers and discharging the functions under the said Act.

Now, the Central Government has established the New Delhi International Arbitration Centre having its head office at New Delhi with effect from June 13, 2022.

For details:

<https://egazette.nic.in/WriteReadData/2022/236564.pdf>

❖ **Market Watch**

Stock Market Indices as on 15.06.2022	
S & P BSE Sensex	52541.39 (-152.18)
Nifty 50	15692.15 (-39.95)

Foreign Exchange Rates as on 14.06.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
77.89	81.23	94.10	0.58

❖ *Business and Economic News*

- **CCI clears Air India's acquisition of AirAsia India stake, helping merger (June 15, 2022)**

The Competition Commission of India approved Air India's proposed acquisition of Tata group's entire 83.67 per cent stake in AirAsia India. The approval gives a boost to the group's plans of merging the two airlines. At present, the Tata group owns and operates four airlines — Air India, Air India Express, AirAsia India, and Vistara. Air India and Vistara operate on both domestic and international routes. AirAsia India does not fly abroad, while Air India Express operates solely on international routes.

For details:

https://www.business-standard.com/article/companies/cci-clears-air-india-s-acquisition-of-airasia-india-stake-helping-merger-122061401393_1.html

❖ *Terminology for today*

Cross Margining

An arrangement between and among custodial and clearing organisations to partially offset excess risk-adjusted margin deposited with one entity against margin requirements with another.

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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