

Info Capsule

Wednesday
February 16, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **NCLT**

Amazon dispute : Supreme Court allows Future to move Delhi High Court for Reliance merger proceedings (February 16, 2022)

The Supreme Court allowed Future Retail (FRL) to approach the Delhi High Court for seeking approval to resume proceedings for its Rs. 24,731-crore merger deal with Reliance Retail before the National Company Law Tribunal beyond the stage of meeting of shareholders and creditors. A bench led by Chief Justice NV Raman granted this liberty in view of FRL's submissions that continuation of the NCLT proceedings for grant of final approval to the proposed merger scheme will not adversely affect Amazon in any manner. Accordingly, it asked the single judge of the HC to consider all the contentions and pass appropriate order as to continuation of the NCLT proceedings and other regulatory approvals expeditiously.

For details:

<https://www.financialexpress.com/industry/amazon-dispute-supreme-court-allows-future-to-move-delhi-high-court-for-reliance-merger-proceedings/2435049/>



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❖ **Securities Laws & Capital Markets**

SEBI Press Releases

• **Union Finance Minister addresses Board Members of SEBI (February 15, 2022)**

Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Corporate Affairs, interacted with the members of the SEBI Board at New Delhi on February 15, 2022. Shri Ajay Tyagi, Chairman, SEBI, welcomed the Hon'ble Finance Minister and briefed about the major trends and outlook of Indian securities market, including fund raising activity, increased participation of individual investors, etc. Hon'ble Finance Minister, in her address, while appreciating the initiatives taken by SEBI emphasized the need for the regulator to take further steps to reduce compliance burden, reduce cost of market intermediation, take more investor protection measures, further develop the corporate bond market, develop green bond market in the context of increasing focus on ESG investment, initiate next generation of reforms to improve ease of doing business and be prepared for the possible market turbulence on account of US Fed actions.

For details:

https://www.sebi.gov.in/media/press-releases/feb-2022/union-finance-minister-addresses-board-members-of-sebi_56074.html

- **Separation of role of Chairperson and MD/CEO (February 15, 2022)**

Considering constraints posed by the prevailing pandemic situation and with a view to enabling the companies to plan for a smoother transition, as a way forward, SEBI Board, in its meeting decided that the provision for separation of role of Chairperson and MD/CEO may not be retained as a mandatory requirement and instead be made applicable to the listed entities on a “voluntary basis”. Earlier, the top 500 listed companies by market capitalisation had to mandatorily separate the role of the Chairperson and MD/CEO from April 01, 2022, following the two years extension given by the SEBI. The SEBI Board, in its meeting of March 2018, had considered and approved the proposal relating to separation of the role of Chairperson and MD/CEO of listed companies.

For details:

https://www.sebi.gov.in/media/press-releases/feb-2022/sebi-board-meeting_56076.html

- ❖ **Banking and Insurance**

- **Proposed Amendments to IRDAI (Third Party Administrators – Health Services) Regulations, 2016 (February 15, 2022)**

Taking into consideration the experience gained while reviewing the dynamic needs of the insurance industry, the TPA Regulations 2016 were comprehensively reviewed in order to examine the scope for allowing operational freedom to both insurers and TPAs. The extant regulations are also reviewed from the perspective of allowing further facilitations that can be considered. All the stakeholders are requested to forward their comments / suggestions, if any, on the proposed modifications in the specified format by March 06, 2022, to saurabh.vinayak@irdai.gov.in.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4643&flag=1

- **More capital support to IDBI Bank may have adverse impact on LIC: DRHP (February 15, 2022)**

Any additional fund infusion by LIC in its associate, IDBI Bank, may have an adverse effect on the financial condition of the insurance behemoth, according to the recently filed Draft Red Herring Prospectus (DRHP). LIC had infused Rs. 4,743 crore into IDBI Bank on October 23, 2019 using policyholders' funds while the bank further raised Rs. 1,435.1 crore on December 19, 2020 by way of a Qualified Institutional Placement (QIP).

For details:

https://www.business-standard.com/article/companies/more-capital-support-to-idbi-bank-may-have-adverse-impact-on-lic-drhp-122021501129_1.html

- **ABG Shipyard fraud case: CBI issues look out notices against former CMD, 8 others (February 15, 2022)**

Days after the Central Bureau of Investigation (CBI) booked ABG shipyard, its former Chairman and Managing Director Rishi Kamlesh Agarwal and others allegedly cheating a consortium of two dozen lenders led by ICICI Bank, the agency on February 15, 2022 issued a look out notice against them.

For details:

<https://timesofindia.indiatimes.com/business/india-business/look-out-circular-issued-against-abg-shipyard-directors-in-rs-22842-crore-loan-fraud-case/articleshow/89595180.cms>

- **ED to launch money laundering probe against ABG former brass (February 16, 2022)**

The Enforcement Directorate (ED) is set to launch a money laundering probe against ABG Shipyard's erstwhile management and directors under the Prevention of Money Laundering Laws (PMLA) for allegedly diverting "significant funds" out of the total Rs. 22,842 crore fraud amount.

For details:

<https://economictimes.indiatimes.com/news/india/ed-to-launch-money-laundering-probe-against-abg-former-brass/articleshow/89600718.cms>

- **Reliance Capital's lenders agree on EoI document for bidders (February 16, 2022)**

Reliance Capital's (RCap) lenders have reached on an agreement on an Expression of Interest (EoI) document to be floated by the company's administrator to prospective bidders, people briefed on the matter said. The lenders, at a meeting on February 15, 2022, decided to give potential buyers two options to bid for the company. Under the first, potential buyers will be allowed to bid for the company, including RCap's lending book, its subsidiaries and investments in joint ventures.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/reliance-capitals-lenders-agree-on-eoi-document-for-bidders/articleshow/89600855.cms>

- **RBI allows NBFCs time till September 30 to comply with new NPA norms (February 16, 2022)**

The Reserve Bank of India (RBI) on February 15, 2022 extended the deadline for Non-Banking Financial Companies (NBFCs) to comply with new asset classification norms issued on November 12. Non-bank lenders will now be allowed to move to the new rules for recognising bad loans by September 30, 2022, as against March 31, 2022.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-allows-nbfc-time-till-september-30-to-comply-with-new-npa-norms/2435091/>

❖ **Terminology for today****RegTech**

Regtech is the management of regulatory processes within the financial industry through technology. The main functions of regtech include regulatory monitoring, reporting, and compliance.

❖ **Market Watch**
**Stock Market Indices as on
16.02.2022**

S & P BSE Sensex	57996.68 (-145.37)
Nifty 50	17322.20 (-30.25)

Foreign Exchange Rates as on 15.02.2022

(<https://www.geojit.com/currency-futures>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.29	85.37	101.92	0.65

Prepared by Directorate of Academics

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