

Info Capsule

Wednesday
February 23, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Ministry of Corporate Affairs

• Appointment of Chairperson in National Company Law Appellate Tribunal (February 22, 2022)

Pursuant to powers conferred by section 410 of the Companies Act, 2013 read with sub-section (2) of section 3 of the Tribunals Reforms Act, 2021, the Central Government appointed Justice (Retd.) Shri. Ashok Bhushan, former Judge of the Supreme Court of India as Chairperson in the National Company Law Appellate Tribunal (NCLAT) for a period of four years from the date of assumption of charge of the post i.e. with effect from 08th November, 2021, or till he attains the age of seventy years, or until further orders, whichever is the earliest.

For details:

<https://egazette.nic.in/WriteReadData/2022/233655.pdf>



THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



• Appointment of Members in National Company Law Tribunal (February 22, 2022)

Pursuant to powers conferred by section 408 of the Companies Act, 2013, the Central Government appointed 20 persons as Judicial Member and Technical Member in the National Company Law Tribunal (NCLT) for a period of five years with effect from the date of joining or till the attaining the age of sixty-five years, or until further orders, whichever is the earliest.

For details:

<https://egazette.nic.in/WriteReadData/2022/233656.pdf>

• Appointment of President in National Company Law Tribunal (February 22, 2022)

Pursuant to powers conferred by section 408 of the Companies Act, 2013, the Central Government appointed Justice (Retd.) Shri. Ramalingam Sudhakar, former Chief Justice of Manipur High Court as President in the National Company Law Tribunal (NCLT) for a period of five years from the date of assumption of charge of the post i.e. with effect from the 1st November, 2021, or till he attains the age of sixty-seven years, or until further orders, whichever is the earliest.

For details:

<https://egazette.nic.in/WriteReadData/2022/233657.pdf>

• Ministry of Corporate Affairs moves NCLT to recover ₹2,320 cr siphoned off by Amtek Auto promoters (February 22, 2022)

The Ministry of Corporate Affairs has asked the Serious Fraud Investigation Office to investigate the books and dealings of Amtek Auto with its group companies. The decision by the MCA was conveyed to NCLT Chandigarh demanding that the former promoters of Amtek Auto return ₹2,320 crore siphoned off from the company. The MCA's petition to the NCLT comes up for hearing on February 23.

For details:

<http://theoutreach.in/corporate-affairs-ministry-moves-nclt-to-recover-%E2%82%B92320-cr-siphoned-off-by-amtek-auto-promoters/>

❖ *Ministry of Finance*

25th Meeting of Financial Stability and Development Council held in Mumbai FSDC notes need for constant vigil on financial conditions and functioning of financial institutions (February 22, 2022)

The 25th meeting of the Financial Stability and Development Council (FSDC) was held in Mumbai on 22nd February, 2022 under the Chairpersonship of Union Finance Minister Smt. Nirmala Sitharaman. The Finance Minister is on a two-day post-Budget outreach visit to the city, where she is meeting with representatives of industry, financial market functionaries and bankers. The Council deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments. The Council noted that Government and all regulators need to maintain constant vigil on the financial conditions and functioning of important financial institutions, especially considering that it could expose financial vulnerabilities in the medium and long-term. The Financial Stability and Development Council has been set up by the government in consultation with financial market regulators, to strengthen and institutionalize the mechanism for maintaining financial stability, enhance inter-regulatory coordination and promote financial sector development.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1800262>

❖ *Securities Laws and Capital Markets*

SEBI News

● **NSE case: Hunt for final beneficiaries begins (February 23, 2022)**

Government agencies would attempt to unravel the Ultimate Beneficial Ownerships (UBOs) of favoured brokerages and their big clients to trace the men who made a killing when the co-location system of the India's largest bourse National Stock Exchange (NSE) was gamed. This would require identifying the last natural person behind the brokerages and investment entities whose money they were handling. The Central Bureau of Investigation (CBI) and the Income Tax department are currently probing the matter. Other agencies may join if there are hints of possible money laundering transactions.

For details:

<https://theoutreach.in/nse-case-nse-case-hunt-for-final-beneficiaries-begins/>

❖ Indirect Tax

Goods and Services Tax

• Improvements in GSTR-1 – Phase-II (February 23, 2022)

The statement of outward supplies in FORM GSTR-1 is to be furnished by all normal taxpayers on a monthly or quarterly basis, as applicable. Quarterly GSTR-1 filers have also been provided with an optional Invoice Furnishing Facility (IFF) for reporting their outward supplies to registered persons (B2B supplies) in the first two months of the quarter. The previous phase of GSTR-1/IFF enhancement was deployed on the GST Portal in November 2021. In that phase, new features like the revamped dashboard, enhanced B2B tables, and information regarding table/tile documents count were provided. In continuation to the same, the next Phase of the GSTR-1/IFF improvements would be implemented shortly on the GST Portal.

For details:

https://tutorial.gst.gov.in/downloads/news/gstr1_enhancement_phase_2.pdf

Customs

• Shipping Bill (Post export conversion in relation to instrument based scheme) Regulations, 2022 (Notification No. 11/2022- Customs (N.T.) dated February 22, 2022)

Shipping Bill (Post export conversion in relation to instrument based scheme) Regulations, 2022 shall apply to shipping bills or bills of export filed on or after the date of publication of these regulations in the Official Gazette. The application for conversion shall be filed in writing within a period of one year from the date of order for clearance of goods under sub-section (1) of section 51 or section 69 of the Act.

For details:

<https://egazette.nic.in/WriteReadData/2022/233661.pdf>

❖ Market Watch

Stock Market Indices as on 23.02.2022

S & P BSE Sensex	57232.06 (-68.62)
Nifty 50	17063.25 (-28.95)

Foreign Exchange Rates as on 22.02.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.66	84.54	101.38	0.65

❖ **Banking and Insurance**

• **RBI cautions public against Prepaid Payment Instruments (non-closed) issued by unauthorised entities (February 22, 2022)**

It has come to the notice of Reserve Bank of India (RBI) that sRide Tech Private Limited, a company having its registered office at Gurgaon, Haryana, is operating a semi-closed (non-closed) pre-paid instrument (wallet) through its car-pooling app (application) 'sRide' without obtaining the required authorisation from RBI under the provisions of the Payment and Settlement Systems Act, 2007. Members of public are urged to exercise utmost caution while using such application/s, dealing with and before parting with their money to any such unauthorised entity. In their own interest, members of public should verify and satisfy themselves that the application used or the entity they are dealing with is authorised to carry out the activity it performs or assures to perform. The list of authorized payment system providers/ authorized payment system operators are displayed on RBI website at <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=12043>.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53305

• **Centre to infuse ₹15,000 crore into PSBs in March (February 23, 2022)**

The government is likely to infuse ₹15,000 crore into state-run banks in the second half of March to help the lenders meet tighter capital-reserve requirements, according to two people privy to the development. Punjab and Sind Bank and Central Bank of India—the only lender that still faces lending curbs—are likely to be the biggest beneficiaries of the latest funding plan, though the exact quantum of support is to be decided, the people said, requesting anonymity.

For details:

<https://www.livemint.com/industry/banking/centre-to-infuse-15-000-cr-into-psbs-in-march-11645556958914.html>

❖ **Insolvency and Bankruptcy**

Zee asks NCLT to dismiss IndusInd's insolvency plea (February 23, 2022)

Zee Entertainment Enterprises (Zee) has filed an application in the Mumbai bench of the National Company Law Tribunal (NCLT), seeking dismissal of IndusInd Bank's insolvency petition against the company.

Zee said it is seeking an "outright dismissal/rejection" of the petition at the threshold inter alia on the ground that "filing of the said company petition by IndusInd Bank is an act in breach/violation" of the orders dated February 25, 2021, and December 03, 2021, passed by the Delhi High Court in proceedings instituted by the company against the private bank.

For details:

<https://economictimes.indiatimes.com/industry/media/entertainment/media/zee-asks-nclt-to-dismiss-indusinds-insolvency-plea/articleshow/89757941.cms>

❖ **Ethics and Governance News**

- **BharatPe terminates head of controls Madhuri Jain Grover's services (February 23, 2022)**

Weeks after being sent on leave, the services of Madhuri Jain Grover, head of controls of BharatPe and wife of founder Ashneer Grover, have been terminated by the company on allegations of misappropriation of funds, according to sources privy to the development.

For details:

<https://www.moneycontrol.com/news/business/startup/bharatpe-terminates-head-of-controls-madhuri-jain-grovers-services-8149651.html>

- **BharatPe fight spills over to Singapore: Ashneer Grover files arbitration plea (February 23, 2022)**

Even as BharatPe co-founder Ashneer Grover has filed an emergency plea before the Singapore International Arbitration Centre (SIAC) seeking to quash the company's investigation into an alleged financial fraud and mishandling of company funds, the two parties are understood to be moving closer to an out-of-court settlement. Grover will likely seek indemnity for many future liabilities while selling his stake back to the company.

For details:

<https://www.financialexpress.com/industry/bharatpe-fight-spills-over-to-singapore-ashneer-grover-files-arbitration-plea/2442069/>

- **ABG Shipyard's independent directors under scanner now (February 22, 2022)**

Both Central Bureau of Investigation (CBI) and Enforcement Directorate (ED) have booked ABG Shipyard on charges of dishonest, legal conspiracy, related provisions of Prevention of Corruption Act and cash laundering for allegedly defrauding a consortium of banks to the tune of Rs. 22,482 crore. There had been 4 independent directors on the board of ABG Shipyard together with two nominated by one financial institution that's a part of the consortium. The companies are more likely to quiz all 4 independent directors who remained on the corporate's board for a big tenure, sources mentioned. The companies will confirm "inaction", if any, on the part of directors nominated by banks, they mentioned.

For details:

<https://www.pehalnews.in/abg-shipyards-independent-directors-under-scanner-now/1658532/>

❖ *Technology and Automation*

India evolving as frontrunner in high power computing (February 22, 2022)

India is fast evolving as a frontrunner in high power computing with the National Super Computing Mission (NSM) with Supercomputing infrastructure already installed in 10 premier institutions like IITs, IISc, IISER Pune, JNCASR Bengaluru, various C-DACs, NABI Mohali, and benefitting researchers from several other institutions too. This will not only help meet the increasing computational demands of academia, researchers, MSMEs, and startups in areas like oil exploration, flood prediction as well as genomics, and drug discovery, but also firm up indigenous capability of developing supercomputers.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1800356>

❖ *Terminology for today*

Leveraged Recapitalisation

A leveraged recapitalization is a corporate finance transaction in which a company changes its capitalization structure by replacing the majority of its equity with a package of debt securities consisting of both senior bank debt and subordinated debt. A leveraged recapitalization is also referred to as leveraged recap.

Prepared by Directorate of Academics

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