

Info Capsule

Friday
January 28, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Business and Economic News**

Air India handed over to Tata Group (January 28, 2022)

The government on January 27, 2022 Thursday officially handed over Air India to the Tata group. The Tata Group now takes full control of the iconic 'Maharaja'.

The government has notified the agreement between Air India and special purpose vehicle AIAHL for the transfer of non-core assets. The strategic disinvestment transaction of Air India successfully concluded today with the transfer of 100 per cent shares of Air India to Talace Pvt. Ltd. along with management control. A new Board, led by the Strategic Partner, takes charge of Air India, Secretary, DIPAM stated.

For details:

<https://www.indiatoday.in/business/story/air-india-handed-over-to-tata-group-1905228-2022-01-27>



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❖ **Securities Laws & Capital Markets**

SEBI Circular

• **Introduction of Special Situation Funds as a sub-category under Category I AIFs (January 27, 2022)**

SEBI has amended the SEBI (Alternative Investment Funds) Regulations, 2012 on January 24, 2022, to introduce Special Situation Funds (SSF), a sub-category under Category I AIF, which shall invest in 'special situation assets'. In this context, SEBI has specified that each scheme of SSF shall have a corpus of at least one hundred crore rupees. SSF shall accept an investment of value not less than ten crore rupees from an investor. In case of an accredited investor, the SSF shall accept an investment of value not less than five crore rupees. Further, in case of investors who are employees or directors of the SSF or employees or directors of the manager of the SSF, the minimum value of investment shall be twenty-five lakh rupees.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2022/introduction-of-special-situation-funds-as-a-sub-category-under-category-i-aifs_55625.html

❖ **Terminology for today**

Cboe Volatility Index (VIX)

The Cboe Volatility Index (VIX) is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 index (SPX). Because it is derived from the prices of SPX index options with near-term expiration dates, it generates a 30-day forward projection of volatility. Volatility, or how fast prices change, is often seen as a way to gauge market sentiment, and in particular the degree of fear among market participants.

❖ **Banking and Insurance**

• **RBI Working Paper No. 05/2022: Quantifying Survey-based Qualitative Responses on Capacity Utilisation - An Analysis for India (January 27, 2022)**

The Reserve Bank of India placed on its website a Working Paper titled “Quantifying Survey-based Qualitative Responses on Capacity Utilisation - An Analysis for India” under the Reserve Bank of India Working Paper Series. This paper focuses on examining the efficacy of survey-based qualitative information on Capacity Utilisation (CU) in tracking or predicting quantitative estimates of CU, which helps to assess economic slack and provides useful insights into the overall demand situation, inflationary pressure and investment conditions prevailing in the economy. Empirical results based on competing models reveal that although popular diffusion indices or summary measures of qualitative responses such as Balance Statistics or Net Response (NR) are useful indicators of CU; at times, they result in positive bias in the prediction. The forecast accuracy, however, may be improved by employing percentage responses separately on “rise/improvement in CU” and “fall/deterioration in CU”. The results are robust for both assessment of CU in the current quarter and one-quarter-ahead expectation.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53173

• **96 pc PMC Bank depositors to be paid upfront : Unity SFB (January 27, 2022)**

Unity Small Finance Bank, which has taken over the failed cooperative lender PMC Bank, on January 27, 2022 said all small depositors with under Rs. 5 lakh of deposits -- who form 96 per cent of the customer base -- can take their entire money out now or keep it in the new bank and earn 7 per cent interest annually. On January 25, the finance ministry had approved the merger of PMC Bank with Unity SFB, protecting it from liquidation and bringing relief to all stakeholders.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/96-pc-pmc-bank-depositors-to-be-paid-upfront-unity-sfb/articleshow/89163782.cms>

❖ **Market Watch**

Stock Market Indices as on 28.01.2022

S & P BSE Sensex	57200.23 (-76.71)
Nifty 50	17101.95 (-8.20)

Foreign Exchange Rates as on 27.01.2022

(<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.12	83.99	100.71	0.65

❖ ***Insolvency and Bankruptcy***

• **NCLAT asks CoC to consider 63 moons' plea in DHFL Resolution Plan (January 27, 2022)**

In a major boost to 63 moons technologies, which had filed a petition in the National Company Law Appellate Tribunal (NCLAT) against PIRAMAL ascribing Re 1 value to Rs. 40,000 crore worth of recoverable assets in the DHFL case, the NCLAT on Thursday January 27, 2022 ordered the petition to be considered by the Committee of Creditors (CoC).

In a statement, 63 moons technologies said with this order, the CoC has to reconsider the provision of section 66 of IBC, which mandates that the benefit should go to all the creditors of DHFL. However, in its resolution plan, the CoC had overlooked this provision to the benefit of the PIRAMAL Group.

For details:

https://www.business-standard.com/article/companies/nclat-asks-coc-to-consider-63-moons-plea-in-dhfl-resolution-plan-122012700692_1.html

• **Insolvency News (January 27, 2022)**

The NCLAT held that initiation of Corporate Insolvency Resolution Process is not a pre-requisite to initiate Insolvency Resolution Process (IRP) against the Personal Guarantor of the Corporate Debtor.

The Appellant, State Bank of India, who is the Financial Creditor of the Corporate Debtor filed an appeal against the order of the Adjudicating Author - NCLT Kolkata Bench, which refused to entertain an application under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 for initiation of IRP against the Respondent/Personal Guarantor, on the ground that the same is pre-mature as CIRP against the Corporate Debtor had not yet been initiated.

For details:

<https://www.livelaw.in/ibc-cases/insolvency-and-bankruptcy-code-2016-nclat-corporate-insolvency-resolution-process-190485>

❖ **Ethics and Governance News**

- **Govt to unveil green hydrogen policy in next 10 days, says R K Singh (January 28, 2022)**

The green hydrogen policy will be unveiled in the next 10 days featuring incentives like free transmission for 25 years to boost production of this clean source of energy, Power and New & Renewable Energy Minister R K Singh said on Thursday.

For details:

https://www.business-standard.com/article/economy-policy/govt-to-unveil-green-hydrogen-policy-in-next-10-days-says-r-k-singh-122012800051_1.html

- **Amazon says Future Retail directors acting at behest of promoters (January 27, 2022)**

In a letter sent to the independent directors on Thursday evening, Amazon said the attempt made by independent directors of Future Retail to question PE firm Samara Capital's term sheet "reveals that the statements are being made at the behest of Future's promoters' and to protect their "mala fide action".

For details:

<https://economictimes.indiatimes.com/tech/technology/amazon-says-future-retail-directors-acting-at-behest-of-promoters/articleshow/89164036.cms>

Prepared by Directorate of Academics

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