



Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। तृप्तये शोकेन तु त्वं त्वत्

Mission

"To develop high calibre professionals facilitating good corporate governance"

Info Capsule

Friday, February 16, 2024

President

CS B Narasimhan

Vice President

CS Dhananjay Shukla

❖ ESG

India needs Rs. 30 lakh crores investment during FY 2024-2030 to meet its COP Climate Pledges: IREDA CMD at World Bank Webinar (February 15, 2024)

Chairman and Managing Director (CMD) of Indian Renewable Energy Development Agency Ltd. (IREDA) Shri Pradip Kumar Das addressed an international webinar organized by The World Bank, on the occasion of the release of the latest South Asia Development Update "Toward Faster, Cleaner Growth", on February 14, 2024. In his address, CMD, IREDA underscored the critical need for substantial investment to meet India's Nationally Determined Contributions (NDC) goals by 2030, stating that the investment required is estimated to be Rs. 30 lakh crores over the period FY 2024-2030.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2006183>

❖ Ministry of Corporate Affairs

The Companies (Registration Offices and Fees) Amendment Rules, 2024 (February 14, 2024)

The Ministry of Corporate Affairs vide issuing notification no. G.S.R 107(E) dated February 14, 2024 has issued "the Companies (Registration Offices and Fees) Amendment Rules, 2024, which has come into force with effect from February 16, 2024. The amendment inter-alia provides that:

- i) New rule 10A has been inserted to the Companies (Registration Offices and Fees) Rules, 2014, establishing a Central Processing Center (CPC).
- ii) The Central Processing Center shall be examining every applications, e-Forms, or documents for approval, registration or taking on record by the Registrar.
- iii) The Registrar shall take a decision on the application, e-forms or documents within thirty days from the date of its filing excluding the cases in which an approval of the Central Government or the Regional Director or any other competent authority is required.
- iv) The Registrar of CPC shall exercise jurisdiction all over the India in respect of the examination of the certain enlisted applications/e-Forms/documents.
- v) Further, in case of multiple applications/e-Forms/documents, are filed at a same time, then all such applications/e-Forms/documents shall be examined and decided by the Registrar of CPC.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=TC5liKr%252B0SpGVt5U%252BSzj%252Bw%253D%253D&type=open>

❖ **Capital Market and Securities Laws**

Consultation Paper on ease of doing business initiatives for Portfolio Managers (February 15, 2024)

The Hon'ble Finance Minister in the budget announcements for FY 2023-24, inter-alia, made an announcement to simplify, ease and reduce cost of compliance for participants in the financial sector through a consultative approach. SEBI has issued this consultation paper with an objective to seek comments/views/suggestions from the public on the proposal to give relaxation in timelines for disclosure of material changes by Foreign Portfolio Investors ('FPIs'). The Comments/suggestions should be submitted to SEBI latest by March 07, 2024.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/feb-2024/consultation-paper-on-ease-of-doing-business-initiatives-for-portfolio-managers_81463.html

❖ **Insolvency and Bankruptcy**

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2024 (February 15, 2024)

IBBI vide its Notification amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Amendment inter alia provides that:

- Operating separate bank account for each real estate project: Where the corporate debtor has any real estate project, the interim resolution professional or the resolution professional, as the case may be, shall operate a separate bank account for each real estate project.
- A resolution professional shall convene a meeting of the committee before lapse of thirty days from the last meeting. It may be noted that the committee may decide to extend the interval between such meetings subject to the condition that there shall be at least one meeting in each quarter.
- Approval of committee for insolvency resolution process costs: The insolvency professional shall place in each meeting of the committee, the operational status of the corporate debtor and shall seek its approval for all costs, which are part of insolvency resolution process costs.

For details:

<https://ibbi.gov.in/uploads/legalframework/88458173f47fbda03d775370a420f307.pdf>

❖ **Banking**

Payment Intermediary by Card Network – Restraining of Unauthorized Payment System (February 15, 2024)

1. It has come to the notice of Reserve Bank of India that a Card Network had an arrangement that enables businesses to make card payments through certain intermediaries, to entities that do not accept card payments.
2. Under this arrangement, the intermediary accepts card payments from corporates for their commercial payments and then remits the funds via IMPS/RTGS/NEFT to non-card accepting recipients.
3. On closer scrutiny, it was observed that this arrangement qualified as a payment system. Under the provisions of Payment and Settlement Systems (PSS) Act, 2007, such payment system requires authorization under Section 4 of PSS Act, which has not been obtained in the instant case. The activity was, therefore, without legal sanction.
4. The arrangement has also raised following concerns:
 - i. The intermediary in the above arrangement pooled large amount of funds into an account which is not a designated account under PSS Act.
 - ii. Transactions processed under this arrangement did not comply with the originator and beneficiary information requirements, as stipulated under Master Direction on KYC issued by the Reserve Bank.
5. As per information available, only one card network has operationalized this arrangement in the country so far.
6. As the matter is under detailed examination, the Card Network has been advised to keep all such arrangements under abeyance, till further orders. It is clarified that the Reserve Bank has not placed any restriction with respect to normal usage of business credit cards.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57335

❖ **Market Watch**

Stock Market Indices as on 16.02.2024

S & P BSE Sensex	72,426.64 (+376.26)
Nifty 50	22,040.70 (+129.95)

Foreign Exchange Rates as on 16.02.2024

(<https://m.rbi.org.in//scripts/ReferenceRateArchive.aspx>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
83.03	89.35	104.48	0.55

❖ Pronouncement

February 12, 2024	Greater Noida Industrial Development Authority (Appellant) Versus Prabhjit Singh Soni & Anr(Respondents)	Supreme Court of India Civil Appeal Nos.7590-7591 OF 2023 (Arising out of Diary No.3628 of 2023)
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NCLT has power to recall its order & such power is to be exercised sparingly and not as a tool to re-hear the matter

Hon'ble Apex Court inter alia observed that a Court or a Tribunal, in absence of any provision to the contrary, has inherent power to recall an order to secure the ends of justice and/or to prevent abuse of the process of the Court. Neither the IBC nor the Regulations framed thereunder, in any way, prohibit, exercise of such inherent power. Rather, Section 60(5)(c) of the IBC, which opens with a non-obstante clause, empowers the NCLT (the Adjudicating Authority) to entertain or dispose of any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under the IBC. Further, Rule 11 of the NCLT Rules, 2016 preserves the inherent power of the Tribunal. Therefore, even in absence of a specific provision empowering the Tribunal to recall its order, the Tribunal has power to recall its order. However, such power is to be exercised sparingly, and not as a tool to re-hear the matter. Ordinarily, an application for recall of an order is maintainable on limited grounds, inter alia, where (a) the order is without jurisdiction; (b) the party aggrieved with the order is not served with notice of the proceedings in which the order under recall has been passed; and (c) the order has been obtained by misrepresentation of facts or by playing fraud upon the Court /Tribunal resulting in gross failure of justice.

For details:

<https://ibbi.gov.in/uploads/order/cc907a5e0d9f38c34f30369f765c82f1.pdf>

Prepared by Directorate of Academics

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

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