

Info Capsule

Thursday
February 03, 2022

President: CS Devendra V. Deshpande

Vice President: CS Manish Gupta

❖ **Banking & Insurance**

LIC IPO filing next week, issue in March : Govt. official (February 02, 2022)

The government is likely to file draft papers for the mega Initial Public Offering of LIC with market regulator SEBI by next week, while a portion of the issue would be reserved for anchor investors, a top official said on February 02, 2022. In an interview with PTI, Tuhin Kanta Pandey, Secretary to the Department of Investment and Public Asset Management (DIPAM), said approval of the insurance regulator is awaited, post which the draft prospectus, detailing the size of the share sale, will be filed.

For details:

<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-ipo-filing-next-week-issue-in-march-govt-official/articleshow/89300264.cms>



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भारतीय कम्पनी सचिव संस्थान
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Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



❖ **Insolvency and Bankruptcy**

• **Appointment of Dr. Anuradha Guru *ex-officio* member in the Insolvency and Bankruptcy Board of India (February 02, 2022)**

Pursuant to Ministry of Corporate Affairs notification dated January 28, 2022 and in exercise of the powers conferred by clause (b) of sub-section (1) of section 189 of the Insolvency and Bankruptcy Code, 2016, the Central Government appointed Dr. Anuradha Guru, Economic Adviser, Ministry of Corporate Affairs (MCA) as *ex-officio* member in the Insolvency and Bankruptcy Board of India to represent the MCA in the Board.

For details:

<https://egazette.nic.in/WriteReadData/2022/233065.pdf>

• **Discussion Paper on Amendment in IBBI (Voluntary Liquidation Process) Regulations, 2017 (February 01, 2022)**

This discussion paper solicits public comments on the following issues related to a voluntary liquidation process in two parts as below:

Part-A: Review of Timelines: preparation of list of stakeholders by liquidator may be reduced to fifteen days, distribution of proceeds from realization to the stakeholders may be reduced to a period of thirty days, submission of the Final Report by liquidator to Adjudicating authority within ninety days or two hundred and seventy days, as the case may be.

Part-B: Compliance Certificate: compliance certificate / checklist may be introduced for voluntary liquidation process which would contain summary of the voluntary liquidation process including the time taken for various actions by the liquidator.

The proposals in the quoted paragraphs aims at achieving the objectives of the Code by expediting the voluntary liquidation process and balancing the interest of all stakeholders. Comments may be submitted electronically by February 22, 2022 by visiting website: www.ibbi.gov.in.

For details:

<https://ibbi.gov.in/uploads/whatsnew/3d7752f4ef0c5a9d3417e3e8ae18e4f9.pdf>

❖ **Competition Law**

Competition Commission says SC dismissed tyre companies' appeals against its order (February 2, 2022)

Competition Commission on Wednesday said Supreme Court has dismissed a petition filed by tyre companies wherein they had challenged the regulator's order imposing penalties totalling over Rs. 1,788 crore on them for anti-competitive practices. In August 2018, the watchdog had imposed a total fine of more than Rs. 1,788 crore on Apollo Tyres, MRF, CEAT, Birla Tyres, JK Tyre and Industries and Automotive Tyre Manufacturers Association (ATMA). They were found to have violated Section 3 of the Competition Act during 2011-2012. The section prohibits anti-competitive agreements. An appeal was filed against Competition Commission of India (CCI) order before the Madras High Court and the same was dismissed on January 6, 2022.

For details:

<https://www.financialexpress.com/industry/competition-commission-says-sc-dismissed-tyre-companies-appeals-against-its-order/2424443/>

❖ **Business and Economic News**

Centre seeks tough action from Google, Twitter, Facebook on fake news (February 3, 2022)

In a meeting with Google, Twitter and Facebook, Ministry of Information and Broadcasting (I&B) officials slammed the tech giants for not proactively removing what they described as fake news on their platforms and asked them to take immediate action. The officials said that the inaction from the tech giants on fake news was forcing the Indian government to order content takedowns. This in turn is having a negative impact on the image of the government who is drawing a flak from within and outside saying it was suppressing free expression.

For details:

<https://www.dnaindia.com/social-media/report-centre-seeks-tough-action-from-google-twitter-facebook-on-fake-news-information-broadcasting-ministry-youtube-2931930>

❖ **Market Watch**

Stock Market Indices as on 03.02.2022

S & P BSE Sensex	58788.02 (-770.31)
Nifty 50	17560.20 (-219.8)

Foreign Exchange Rates as on 02.02.2022

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.65	83.99	100.66	0.65

❖ **Pronouncement**

January 25, 2022

Colgate Global Business Services Pvt. Ltd. vs.
Union of India

Bombay High Court

Application for GST refund cannot be rejected without recording any reasons as the same is mandatory under Rule 92(3) of the Central Goods and Services Tax Rules, 2017

Facts of the case:

Colgate Global Business Services Pvt. Ltd. (part of Colgate Palmolive Group) had approached the Deputy Commissioner of state tax seeking refund of Rs. 4,33,03,066 of the Goods and Services Tax (GST). However, after it was rejected by the authority on June 15, 2020, Colgate approached the Bombay High Court. Colgate argued that the order of the Deputy Commissioner passed in June, 2020 rejecting the application was bound to record reasons in the order.

Judgment:

The Bombay High Court has quashed an order by the GST authorities which had rejected the refund claim of Colgate Global Business Services Ltd. The court has set aside the order since the Deputy Commissioner of state tax did not provide any reasons while rejecting the order. The court said providing reasons is mandatory under Rule 92(3) under the Central Goods and Services Tax Rules, 2017. As such the order passed by the tax official was in breach of this provision and deserves to be set aside.

For details:

https://www.business-standard.com/article/economy-policy/hc-sets-aside-rejection-of-gst-refunds-claimed-by-colgate-global-122012801752_1.html

❖ **Terminology for today**

Exposure at Default

Exposure at default (EAD) is the total value a bank is exposed to when a loan defaults. Using the internal ratings-based (IRB) approach, financial institutions calculate their risk. Banks often use internal risk management default models to estimate respective EAD systems. Outside of the banking industry, EAD is known as credit exposure.

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

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