



NEWSLETTER ^{Weekly}

Volume-CXVII, Issue-III, Dated: 15th April, 2024

RESERVE BANK OF INDIA

1. Primary (Urban) Co-operative Banks' Outlook 2022-23

The Reserve Bank of India (RBI) vide press release dated April 10th 2024 released the 10th volume of the annual publication titled '**Primary (Urban) Co-operative Banks' Outlook 2022-23**'. The publication has been brought out by the 'Department of Supervision' of the Reserve Bank of India. The publication covers the financial accounts of Scheduled and Non-Scheduled Primary (Urban) Co-operative Banks for the financial year 2022-23. The publication provides aggregate information on major items of balance sheet, profit and loss account, non-performing assets, financial ratios, state-wise distribution of offices and details of priority sector advances. Besides, the publication also provides bank-wise information of Scheduled Primary (Urban) Co-operative Banks with respect to their balance sheet items, profitability, and employee productivity

For more information, you can access the RBI press release here:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57670

2. RBI releases data on ECB/FCCB/RDB for February 2024

The Reserve Bank of India (RBI) vide press release dated April 10th 2024 released the data on External Commercial Borrowings (ECB), Foreign Currency Convertible Bonds (FCCB) and Rupee Denominated Bonds (RDB) both, through Automatic Route and Approval Route, for the month of February 2024.

For more information, you can access the RBI press release here:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57674

3. RBI announces Decision on two applications received under Guidelines for 'on tap' Licensing of Small Finance Banks

The Reserve Bank of India (RBI) vide press release dated April 12th 2024 released that the RBI has received 13 applications to set up bank under the Guidelines for 'on tap' Licensing of Universal Banks and Small Finance Banks. Dvara Kshetriya Gramin Financial Services Private Limited And Tally Solutions Private Limited were not found suitable for granting of in-principle approval to set up a small finance bank.

For more information, you can access the RBI press release here:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57686

4. RBI launches Quarterly Order Books, Inventories and Capacity Utilisation Survey: January - March 2024 (Round 65)

The Reserve Bank of India (RBI) vide press release dated April 08th 2024 launched the 65th round of its Order Books, Inventories and Capacity Utilisation Survey (OBICUS). The survey is for the reference period January - March 2024 (Q4:2023-24).

For more information, you can access the RBI press release here:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57659

5. Alteration in the name of "Sonali Bank Limited" to "Sonali Bank PLC" in the Second Schedule to the Reserve Bank of India Act, 1934

The Reserve Bank of India (RBI) vide notification dated April 10th 2024 notified that the name of "Sonali Bank Limited" has been changed to "Sonali Bank PLC" in the Second Schedule to the Reserve Bank of India Act, 1934 by Notification DoR.LIC. No. S6044/23.13.032/2023-24 dated January 17, 2024, which is published in the Gazette of India (Part III-Section 4) dated March 06, 2024.

For more information, you can access the RBI notification here:

<https://rbi.org.in/Scripts/NotificationUser.aspx?id=12660&Mode=0>

MINISTRY OF CORPORATE AFFAIRS

1. Corporate Affairs Ministry Extends Last Date for Submission of Comments on Draft Digital Competition Bill.

The Ministry of Corporate Affairs on Tuesday on 09.04.2024 extended the deadline for stakeholder comments on the draft Digital Competition Bill, as well as the report submitted by the Committee on Digital Competition Law (CDCL). In a notice, the ministry stated that in consideration of requests received from various stakeholders, "the last date of submitting the comments/suggestions is extended till 15th May, 2024." Earlier, The last date for submissions was April 15. It also said interested stakeholders could send in their comments via email, apart from the e-Consultation module. The draft Digital Competition Bill, similar to the Digital Markets Act(DMA) that came into effect recently in jurisdictions within the European Union, identifies large digital platforms and prescribes different types of obligations for the same, with an aim to restrict potential anti-competitive conduct including, but not limited to, self-preferencing, imposing restrictions on third-party apps, unfairly using data belonging to business users, bundling products and services, among others. As part of the draft bill, the committee introduced a staggered approach towards designating the various players, such as defining Systemically Significant Digital Enterprise (SSDEs), based on the service they provided (Core Digital Services), laying down their obligations, as well as powers that can be exercised by the competition regulator, Competition Commission of India (CCI), in case of non-compliance. It also included powers related to the exemption of enterprises, amending the list of Core Digital Services, issuing guidelines as well as powers over CCI and others on the part of the Indian Government. The bill is part of a report presented by the Committee on Digital Competition Law (CDCL), which was set up following advice from the Parliamentary Standing Committee on Finance, back in December 2022.

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

1. With 269 Resolution Plans, Insolvency and Bankruptcy Code resolutions hit record

A series of steps taken by the National Company Law Tribunal along with government and the Insolvency and Bankruptcy Board of India (IBBI) has resulted in a record number of cases being decided during the last financial year. Latest data showed that 269 resolution plans were approved during 2023-24, as against 189 during the previous year, an increase of 42%. The Insolvency and Bankruptcy Code (IBC) has helped improve the lending culture in India as promoters are now keen to repay the debt to banks and also clear the dues of vendors and other creditors, fearing loss of control over their business in case of continued default. As a result, data available with NCLT showed, till Feb 2024, 28,617 applications for initiation of corporate insolvency with underlying default of Rs 10.2 lakh crore were withdrawn before their admission. This indicated a behavioural shift among debtors as they opted to settle their dues in the early stages of distress. With an insolvency process getting streamlined, the ratio of the number of cases ending with resolution and cases in which liquidation is ordered, has improved from 0.46 in Financial Year 2023 to 0.61 during the Financial Year 2024.

So far, 950-odd resolutions have helped creditors realise around 32% of the admitted claims and 162% of the liquidation value. What has skewed the number is that 44% of the cases, which yielded resolution plans, were earlier with BIFR or were defunct. In these cases the realised amount was around 12% of the admitted claims.

Government and Reserve Bank of India believe that the fall in NPAs of banks is partly attributed to IBC, which even the regulator noted was the dominant mode of recovery as 43% of the amount realised by banks was via this route.

You may send your suggestions at kartikey@asalegal.in

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