



Lex Favios
Advocates & Solicitors

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Reserve Bank of India vide notification dated November 08, 2023, has provided 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds

- RBI vide notification dated November 08, 2023, has provided 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds.
- The Government Securities that are eligible for investment under the FAR ('specified securities') were notified by the Bank, vide circular no. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020, circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022 and circular no. FMRD.FMID.No. 07/14.01.006/2022-23 dated January 23, 2023.
- It has now been decided to also designate all Sovereign Green Bonds issued by the Government in the fiscal year 2023-24 as 'specified securities' under the FAR.
- The complete notification is herein attached.

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Reserve Bank of India vide notification dated November 07, 2023, has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices

- RBI vide notification dated November 07, 2023, has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices
- The Master Direction is herein attached.

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Securities Exchange Board of India vide circular dated December 01, 2023, has provided Extension of timeline for implementation of provisions of circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 on Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform

- SEBI vide circular dated December 01, 2023, has provided Extension of timeline for implementation of provisions of circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 on Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.
- In The provisions of circular with ref. no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 related to work flow of processing of investor grievances by Entities and framework for monitoring and handling of investor complaints by the Designated Bodies were required to come into force with effect from December 04, 2023.
- It has been decided to extend the effective date of implementation of above said provisions to April 01, 2024.
- The complete notification is herein attached.

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IDFC First Bank Limited v. Union of India and Ors

The Petitioner, IDFC First Bank entered a loan agreement with Respondent no.1 & no.2 for an amount of Rs.23,00,000 against the security interest of a built-up property, however, the respondents were unable to repay their loan obligation, and the loan account was classified as NPA by the Petitioner.

The Petitioner issued a demand notice to the Respondents calling upon them to discharge their liability along with interest and subsequently filed a petition under Section 14 of the SARFAESI Act, and the receiver was appointed to take possession of the Property on behalf of the Petitioner, which was sold for Rs. 21,38,000/-.

That, after adjusting the sale proceeds an amount of Rs. 6, 92,551 remained outstanding and the petitioner filed an application under Section 13(10) under the SARFAESI ACT before DRT III, Delhi. However, DRT, III Delhi the petitioner, rejected the application on the ground that DRT III does not have the pecuniary jurisdiction to entertain the matter, as the same was less than Rs.10,00,000/- threshold of the Recovery of Debts and Bankruptcy Act.

Aggrieved of this order the Petitioner approached the Hon'ble Delhi High Court Challenging the rejection of their application under Section 13(10) SARFAESI Act by DRT-III, Delhi. The primary issue in the present case was, whether the DRT constituted under the Recovery of Debts and Bankruptcy Act, 1993, exercises any original jurisdiction for the recovery of debts under the SARFAESI and whether claims less than Rs.10,00,000/- can be entertained under Section 13(10).

The High Court rejected the contention of the Petitioner that Section 13(10) of the SARFAESI Act, operates independently, emphasizing that the nature of the application mirrors an original action covered under the RDB Act, the Hon'ble High Court also noted that SARFAESI lacks a provision similar to that of Section 1(4) of the RDB Act, which lays down the jurisdictional limits. The provisions of the Recovery of Debts Due to Banks and



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Financial Institutions Act, 1993 (RDB Act) are applicable to claims under Section 13(10) of the SARFAESI Act, emphasizing that an application under Section 13(10) of the SARFAESI Act is essentially an Original Application under Section 19(1) of the RDB Act, hence, subject to the jurisdictional limits of the RDB Act.

This judgment clarifies that the DRT does not have jurisdiction to entertain an application under Section 13(10) of the SARFAESI Act for the recovery of a balance amount of less than ₹10,00,000/-. Therefore, the court concluded that the remedy provided by the SARFAESI Act cannot be considered in isolation as it is intertwined with the provisions of the RDB Act. Consequently, IDFC's petition was dismissed.

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