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Reserve Bank of India vide circular dated June 07, 2024, has issued Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016

- RBI vide circular dated June 07, 2024, has issued Amendment to Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016.
- It has been decided to revise the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term “Bulk Deposit” would now mean:
 - i. Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
 - ii. Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks.
- The Master Direction is herein attached.

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Securities Exchange Board of India vide circular dated June 06, 2024, has issued Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under

- SEBI vide circular dated June 06, 2024, has issued Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under.
- The Prevention of Money Laundering Act, 2002 (“PMLA”) and the Prevention of



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Money-Laundering (Maintenance of Records) Rules, 2005(PMLRules1), as amended from time to time and notified by the Government of India, mandate every reporting entity [which includes intermediaries registered under section 12 of the Securities and Exchange Board of India Act, 1992 (SEBI Act) and stock exchanges], to adhere to client account opening procedures, maintain records and report such transactions as prescribed therein to the relevant authorities. The PML Rules, inter alia, empower SEBI to specify the information required to be maintained by the intermediaries and the procedure, manner and the form in which such information is to be maintained. It also mandates the reporting entities to evolve an internal mechanism having regard to any guidelines issued by regulator for detecting the transactions specified in the PML Rules and for furnishing information thereof, in such form as may be directed by the regulator. The Circular shall come into force from June 01, 2024.

- These guidelines shall also apply to the branches of the Stock Exchanges, registered intermediaries, and their subsidiaries situated abroad, especially, in countries which do not apply or insufficiently apply the recommendations made by the Financial Action Task Force (FATF), to the extent local laws and regulations permit. When the local applicable laws and regulations prohibit implementation of these requirements, the same shall be brought to the notice of SEBI
- The circular is herein attached.

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Securities Exchange Board of India vide circular dated June 05, 2024, has issued Framework for providing flexibility to Foreign Portfolio Investors in dealing with their securities post expiry of their registration

- SEBI vide circular dated June 05, 2024, has issued Framework for providing flexibility to Foreign Portfolio Investors in dealing with their securities post expiry of their registration.
- SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2024 were notified on June 03, 2024, amending the SEBI (Foreign Portfolio Investors) Regulations, 2019, inter alia, for providing flexibility to Foreign Portfolio Investors (FPIs) in dealing with their securities post expiry of their registration
- Recognized Stock Exchanges (National Stock Exchange and BSE Limited) are advised to formulate and operationalize a mechanism for dealing with written-off securities by their empaneled broker within 60 days from the date of this circular.
- The circular is herein attached.

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NO BAR ON FINANCIAL CREDITOR IN INITIATING PROCEEDINGS AGAINST CORPORATE DEBTOR AND PERSONAL GUARANTOR SIMULTANEOUSLY: NCLT MUMBAI

The Hon'ble National Company Law Tribunal, Mumbai Bench- VI (hereinafter "**Hon'ble NCLT**") comprising of K.R. Saji Kumar (Judicial Member) and Sanjiv Dutt (Technical Member) while adjudicating an Application under Section 7 of the Insolvency & Bankruptcy Code, 2016 (hereinafter "IBC") has held that there is no embargo under the IBC on the financial creditor initiating simultaneous or



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independent proceedings against the corporate debtor as well as the personal guarantor.

BRIEF FACTS OF THE CASE

Piramal Capital and Housing Finance Limited (hereinafter “**Financial Creditor**”) had filed an Application under Section 7 of IBC against the Corporate Debtor on account of violation of the terms of the loan agreement by the Corporate Debtor leaving an outstanding amount of INR 1,05,96,31,988/- including interest as of 05.09.2022.

The Corporate Debtor had raised a preliminary issue of maintainability of the Section 7 Application initiated by Financial Creditor on the ground that an application under Section 95 of IBC was pending adjudication before the Hon’ble NCLT.

NCLT’S JUDGMENT

The Hon’ble NCLT after considering the objection raised by the Corporate Debtor placed reliance on Section 128 of the Indian Contract Act, 1872 and observed that liability of a guarantor is co-extensive with that of the principal borrower unless otherwise provided by the contract. The deed of personal guarantee in the case established joint and several liability upon both the surety and principal borrower. The NCLT thus held that simultaneous proceedings can be initiated by the Financial Creditor against the Corporate Debtor and personal guarantor.

The Hon’ble NCLT further placed reliance upon Section 14(3) of IBC which excludes sureties from moratorium under Section 14(1).



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CP (IB) No. 1180/MB/2022

**Case Title: Omkara Assets Reconstruction Private Limited v. Gigeo
Construction Company Private Limited**

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