

CORRIGENDUM

Examination : DIPLOMA IN BANKING AND FINANCE/ JAIB

Subject : PAPER III -LEGAL AND REGULATORY ASPECTS OF BANKING –

MODULE A

POSITION AS IT EXISTS IN THE COURSEWARE	TO BE MODIFIED AS
<p>Page No. 8 Under 1.5 Banking Regulation Act. Line No. 12 from the top</p> <p>The last amendments to Banking Regulation Act, 1949 were effected in 2012 (enacted on 10.01.2013) and Banking Regulation (Amendment) Act, 2017 on 25.08.2017. by inserting two new sections viz. 35AA and 35AB authorizing the Reserve Bank to issue directions to any banking company or banking companies to initiate insolvency resolution process in respect of a default, under the provisions of the Insolvency and Bankruptcy Code, 2016.</p>	<p>The last amendments to Banking Regulation Act, 1949 were effected on 25.09.2020 by amending section 45 & 56 to extend RBI's regulatory control over Cooperative Banks in issue and regulation of paid-up share capital and securities by co-operative banks.</p> <p>THE BANKING REGULATION (AMENDMENT) ACT, 2020</p>
<p>Page No. 48 Under ii) Quantum of Cash Reserve Paragraph 2 Line No. 2 from the bottom</p> <p>..... SCBs are required to maintain minimum CRR balances upto 95% of the average daily required reserves</p>	<p>Every scheduled bank, small finance bank and payments bank shall maintain minimum CRR of not less than 90% of the required CRR on all days during the reporting fortnight, in such a manner that the average of CRR maintained daily shall not be less than the CRR prescribed by the Reserve Bank.</p> <p>RBI notification dt 20.07.2021</p>
<p>Page No. 50 Under 3.13 Penalty for default. Line No. 1 from the top</p> <p>If the balance of any alternate Friday (...) falls below the minimum requirement</p>	<p>On the failure of the bank to maintain as on any day, the amount of SLR required to be maintained by a bank, the bank shall be liable to pay to the Reserve Bank in respect of that default,</p> <p>RBI Master Directions - CRR & SLR</p>

<p>Page No. 55 Under 4.2 (iii) Line No 4 from the top of the page</p> <p>The company Act requires every company set out in the part I of Schedule VI to that Act.</p>	<p>The company Act requires every company set out in the part I & II of Schedule III to that Act</p> <p>(the part I & II of Schedule III to Companies Act)</p>
<p>Page No. 93 Under 6.7</p> <p>Financial Sector Development Council</p>	<p>Financial stability and Development Council</p> <p>(Gazette Notification dt 30.12.2010 by Capital market division – Department of Economic Affairs)</p>

MODULE B

POSITION AS IT EXISTS IN THE COURSEWARE	TO BE MODIFIED AS
<p>Page 224 Item No. 19.4</p> <p>Line No.6 from the top of the paragraph</p> <p>Such application has to be made within the prescribed time period and in the manner prescribed by the Registrar within a period of 14 (fourteen) days after giving a notice in this regard to the Company</p>	<p>If the company fails to register the charge within a period of 30 days, the charge holder may make an application for registration of charge. The Registrar may, on such application, allow such registration to be made within a period of sixty days of such creation, on payment of such additional fees.</p> <p>On receiving the application from the charge holder, the Registrar within a period of fourteen days after giving notice to the company, allows such registration on payment of such fees.</p> <p>Section 78 of Companies Act 2013</p>
<p>Page 225 Item No. Section 86</p> <p>this section provides that contravention of any of the aforesaid provisions shall be punishable with a fine not less than ` 1,00,000/- but which may extend to ` 10,00,000/- and every officer in default shall be punishable with imprisonment for a term of upto 6 (six) months.</p>	<p>If any company is in default in complying with any of the provisions, the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.</p> <p>Section 86 of Companies Act.</p>

	Substituted by the Companies (Amendment) Act, 2020. Notification dated 28th September, 2020 Amendment Effective from 21st December 2020
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MODULE C

POSITION AS IT EXISTS IN THE COURSEWARE	TO BE MODIFIED AS
<p>Page No.230 Under item No.20.1 under Introduction - Item No.2</p> <p>..... security interest for securing repayment of any financial asset more than Rs 1 lakh</p>	<p>..... any security interest for securing repayment of any financial in which the amount due is more than Rs.1 lakh</p> <p>Section 31 (h) of SARFAESI Act</p>
<p>Page No.235 Under item No.21.3 under Appellate Tribunal</p> <p>... referred to Appellate Tribunal (DRAT) within 45 days from the</p>	<p>30 days</p> <p>Section 18 of SARFAESI Act</p>
<p>Page No. 236</p> <p>Under item No.21.8 under Central Registry</p> <p>The particulars of the transaction required to be mandatorily registered</p>	<p>The particulars of transaction which were required to be mandatorily registered</p> <p>Now it is not mandatory. With effect from 24.01.2020</p>
<p>Page No.238 Under item No.21.12 under Financial Asset</p> <p>The following two points to be added in (v)</p>	<p>(a) any beneficial right, title or interest in any tangible asset given on hire or financial lease or conditional sale or under any other contract which secures the obligation to pay any unpaid portion of the purchase price of such asset or an obligation incurred or credit otherwise provided to enable the borrower to acquire such tangible asset; or</p> <p>(b) any right, title or interest on any intangible asset or licence or assignment of such intangible asset, which secures the obligation to pay any unpaid portion of the purchase price of such intangible asset or an obligation incurred or credit otherwise extended to enable the borrower to acquire such</p>

	intangible asset or obtain licence of the intangible asset; or]
‘Reconstruction companies or securitisation companies’	‘Asset Reconstruction Companies’
Page No.241 Under item No.21.29.3. under Security Receipt Only to QIBsOnly to ‘Qualified buyers’ Section 2(u) of SARFAESI Act
Page No.248 Under item No2 Line No 6 from the top The said document is not required to be stamped as per the State stamp Duty laws exempted from stamp duty in accordance with the provisions of section 8F of the Indian Stamp Act, 1899 (2 of 1899): Section 5(1A) of SARFAESI Act
Page No.264 Under item No.23.7 under Appeal to Appellate Authority - 2nd line from the top of the para Within forty-five days	Thirty days Section 18 of SARFAESI Act
Page No.270 Under item No.24.5 under Filing of transactions of securitisation, Reconstruction and creation of security interest - Under the SARFAESI Act, now filing of details of transactions of securitisation, reconstruction and the creation of security interest is required to be filed with the central registrar	With effect from 24.01.2020, filing of registration is not mandatory. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) (Amendment) Rules, 2020.
Page No.270 Under item No.24.6 under Modification of security interest registered - Wherever any security interest	With effect from 24.01.2020, filing of registration is not mandatory.

	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) (Amendment) Rules, 2020.
Page No.274 Under item No.25.2 under Penalties Section 23 of the Act provides	With effect from 24.01.2020, filing of registration is not mandatory. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) (Amendment) Rules, 2020.
Page No.274 Under item No.25.3 under Penalties for non-compliance of Directions of RBI Under the sections 12 or 12A	[Penalties for non-compliance of direction of Reserve Bank.] Omitted by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (44 of 2016) s. 20 (w.e.f. 1-9-2016). Section 28 of SARFAESI Act - Omitted
Page No.278 Under item No.26.2 under Non-applicability of the provisions of the SARFAESI Act in certain cases (v) Any conditional sale, hire-purchase or lease or any other contract in which no security interest has been created.	The item has been omitted through section 22 of section 3 of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016 THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016
Page No.305 Under item No.30.7 under Qualification for appointment ... Item No.2 The chairperson of the appellate tribunal shall attains the age of sixty-five years	The chairperson of the appellate tribunal shall attains the age of seventy years

	<p>Section 30 Of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016</p>
<p>Page No.315 Under item No.32.3 under Appeal to Appellate Tribunal Item No.2</p> <p>The appeal is required to be filed within forty-five days from</p>	<p>The appeal is required to be filed within Thirty days from</p> <p>Section 34 Of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016 &</p> <p>Section of DRT Act</p>
<p>Page No.315 Under item No.32.3 under Appeal to Appellate Tribunal Item No.2 Line No 4 from the top.</p> <p>The appeal filed after forty-five days from</p>	<p>The appeal filed after Thirty days from</p> <p>Section 34 Of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016 &</p> <p>Section 20 of DRT Act</p>
<p>Page No.316 Under item No.32.3 under Deposit of amount of debt due for filing appeal Item No.1 Line No 4 from the top.</p> <p>...However, the Tribunal has right to reduce or waive such payment for the reasons to be recorded in writing..</p>	<p>....However, the DRAT has the right to reduce or waive such payment up to an amount not less than 25%.</p> <p>Section 34 Of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016 &</p>

	Section 20 of DRT Act
<p>Page No.321 Under item No.33.4 under A Stay and amendment for recovery proceeding and certificate Line No.2 from the top</p> <p>..... time for payment of the amount.</p> <p>The sentence is incomplete</p>	<p>..... time for payment of the amount provided the defendant makes a down payment of not less than 25% of the amount specified in the recovery certificate and gives an unconditional undertaking to pay the balance within a reasonable time, acceptable to the bank.</p> <p>Section 39 Of THE ENFORCEMENT OF SECURITY INTEREST AND RECOVERY OF DEBTS LAWS AND MISCELLANEOUS PROVISIONS (AMENDMENT) ACT, 2016 &</p> <p>Section 27(1) of DRT Act</p>
<p>Page No.375</p> <p>Under Permanent Account Number Line Number 4 from the top of the second paragraph</p> <p>Payment in cash in connection with travel to any foreign country, an amount exceeding Rs.25000</p>	<p>Payment in cash in connection with travel to any foreign country, an amount exceeding Rs.50000</p> <p>Rule 114B Sl. No. 6 Of Income Tax Act</p>

MODULE D

POSITION AS IT EXISTS IN THE COURSEWARE	TO BE MODIFIED AS
<p>Page 462</p> <p>56.4 (b) under Number of members</p> <p>The maximum number shall not exceed 100.</p>	<p>The maximum number shall not exceed 50.</p> <p>Rule No 10: of The Companies (Miscellaneous) Rules 2014 limits the number to 50.</p>
<p>Page 468</p> <p>57.4 (b) (i)</p> <p>A private company can have only two members and two Directors</p>	<p>A private company shall have a minimum two members and two Directors</p> <p>149(a) of Companies Act 2013</p>
<p>Page 468</p> <p>57.4 (b) (iii)</p> <p>A private company need not hold statutory</p>	<p>Every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting</p> <p>Section 96(1) of Companies Act 2013</p>
<p>Page 469</p> <p>Under small company</p> <p>(i) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than five crore rupees; or</p> <p>(ii) turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees.</p>	<p>i)The paid up share capital which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than Ten crores rupees and</p> <p>ii) turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than One hundred crores rupees.</p> <p>Section 2(85) (i) & (ii) of Companies Act</p>

<p>Page 474 58.4 (c) Paragraph 1</p> <p>Clauses in memorandum of Association can be altered only a special resolution passed by the company and with the sanction of Company Law Board</p>	<p>Clauses in memorandum of Association can be altered only a special resolution passed by the company and with the sanction of Central Government</p> <p>Section 13 (4) of Companies Act 2013</p>
<p>Page 544 69.6 under Corporate Insolvency Resolution Process Paragraph 2</p> <p>Corporate insolvency process shall be mandatorily completed within a period of 330 days from the insolvency commencement date including litigation and other judicial processes.</p>	<p>The corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.</p> <p>Section 12 IBC 2019</p>