

Info Capsule

Thursday
January 07, 2021

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Business and Economics News**

• **WhatsApp's new privacy policy (January 07, 2021)**

WhatsApp's updated terms of service and privacy policy giving more insight into how the messaging platform will use user data and share it with its parent company Facebook.

For details:

<https://indianexpress.com/article/explained/explained-what-you-need-to-know-about-whatsapps-new-privacy-policy-7135730/>



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भारतीय कम्पनी सचिव संस्थान

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❖ **Securities Laws and Capital Markets**

SEBI Report/Press Release

• **Discussion paper on Review of Ownership and Governance norms to facilitate new entrants to set up Stock Exchange / Depository (January 6, 2021)**

SEBI has issued a consultation paper proposing detailed reforms relating to ownership and governance norms to facilitate new entrants to set up Stock Exchange / Depository and invited public comments on or before February 05, 2021.

The Indian securities market has witnessed dominance in trading and depository space, raising concerns on possibility of excessive concentration and institutional tardiness in quickly responding to the changing market dynamics which may have an adverse bearing on efficiency in trading, record-keeping, supervision and risk management practices. It is, therefore, proposed to create a liberalized ownership framework by allowing higher shareholding at initial / inception stage with dilution over a period of time.

For details:

https://www.sebi.gov.in/media/press-releases/jan-2021/discussion-paper-on-review-of-ownership-and-governance-norms-to-facilitate-new-entrants-to-set-up-stock-exchange-depository_48681.html

SEBI Circular

- **Refund of security deposit (January 6, 2021)**

Stock Exchanges are advised that, on approval of application for surrender of Trading Member's registration by SEBI, the Exchange shall release Security Deposit of the Trading Member (engaged in trading on behalf of clients), after the period of three years from the date of receipt of surrender application by Exchange from the Trading Member (in order to meet any investor claims) or five years from the date of disablement of Trading Member's trading terminals by the Exchange, whichever is earlier.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2021/refund-of-security-deposit_48677.html

SEBI News

- **Supreme Court dismisses SEBI plea against SAT relief to NHAI (January 7, 2021)**

The Supreme Court dismissed SEBI's appeal against the Securities Appellate Tribunal's order that quashed its decision to impose Rs 7-lakh penalty on the NHAI for the delay in filing financial results. The tribunal had let off the authority with just a warning.

For details:

<https://www.financialexpress.com/market/sc-dismisses-sebi-plea-against-sat-relief-to-nhai/2165843/>

- **Supreme Court stays SAT order replacing penalty with warning (January 7, 2021)**

In a major development, the Supreme Court has stayed an order of the Securities Appellate Tribunal (SAT) wherein the latter had substituted a penalty by SEBI in a case of fraudulent trading in the shares of Mapro Industries, with just a warning. The matter pertains to an appeal filed by the SEBI following the SAT order.

For details:

<https://www.freepressjournal.in/business/supreme-court-stays-sat-order-replacing-penalty-with-warning>

- **Budget wish list: Broking community seeks time limit on SEBI proceedings (January 06, 2021)**

The broking community has requested the Central Government to impose a time limit on SEBI regarding initiation of proceedings and show-cause notices. The request was part of the Association of National Exchanges Members of India's (ANMI's) Union Budget wish list.

In a submission to the Union government, the brokers association said the SEBI Act does not prescribe any period of limitation on initiation of proceedings. This results in several proceedings being initiated by the SEBI several years after the alleged violation.

For details:

https://www.business-standard.com/budget/article/budget-wish-list-brokers-seek-to-impose-time-limit-on-sebi-proceedings-121010501293_1.html

❖ **Banking and Insurance**

• **College of Supervisors (CoS) (January 06, 2021)**

As part of the measures to further strengthen Supervision over regulated entities, Reserve Bank had set up a College of Supervisors (CoS) to augment and reinforce supervisory skills among its regulatory and supervisory staff both at entry level and on a continuous basis. This was done to facilitate the development of unified and focused supervision by providing training and other developmental inputs to the concerned staff.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50924

• **Dubai's Mashreqbank plans to move nearly half its jobs to cheaper hubs like India (January 06, 2021)**

Mashreqbank PSC, Dubai's third-biggest lender, plans to move nearly half of its employees to cheaper locations and allow some others to work from home as part of a dramatic reorganization that will spare its Emirati staff.

For details:

<https://www.livemint.com/industry/banking/dubais-mashreqbank-plans-to-move-nearly-half-its-jobs-to-cheaper-hubs-like-india-11609922629776.html>

• **Private lenders report healthy loan growth in Q3 (January 07, 2021)**

Private lenders have reported a sequential improvement in the net advances during the December quarter, according to provisional data released by the banks. While the largest private lender HDFC Bank has shown a 3% growth in the loan book, IndusInd Bank and IDFC First Bank reported over 3% quarter-on-quarter (q-o-q) growth in the advances. Similarly, Yes Bank has shown a 1.3% increase in the net advances during the quarter compared to the September quarter.

For details:

<https://www.financialexpress.com/industry/banking-finance/private-lenders-report-healthy-loan-growth-in-q3/2165829/>

❖ Terminology for Today

High-water Mark

A clause that disallows a hedge fund from assessing a performance fee (known as “the carry”) unless the investor’s account value is at its highest level. High-water marks prevent hedge funds from double-charging if the fund’s value rises, falls, and then rises again.

❖ Market Watch

Stock Market Indices as on 07.01.2021

S & P BSE Sensex	48093.32 (-80.74)
Nifty 50	14137.35 (-8.90)

Foreign Exchange Rates as on 06.01.2021

(<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.139	99.6529	89.999	.7119

Prepared by Directorate of Academics

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

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