

# Info Capsule

Tuesday  
April 13, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ **Insolvency & Bankruptcy**

### **NLIU becomes first IBBI approved university to offer Graduate Insolvency Program**

The National Law Institute University (NLIU) had submitted the Expression of Interest to the Insolvency and Bankruptcy Board of India (IBBI) for the conduct of the Graduate Insolvency Program (GIP) on 15 January, 2021. A month later, the IBBI formally approved NLIU for conducting the Graduate Insolvency Program (GIP) from the academic session 2021-2022. NLIU is the first University approved by the IBBI to offer the Graduate Insolvency Program. The intake for the two-year Graduate Insolvency Program will be forty seats.

*For details:*

<https://www.barandbench.com/apprentice-lawyer/nliu-becomes-first-ibbi-approved-university-to-offer-graduate-insolvency-program>



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

## ❖ **Securities Laws and Capital Markets**

### **SEBI Press Release**

#### • **SEBI cautions investors against impersonation**

SEBI cautioned investors against fraudsters who are sending emails impersonating employees of SEBI/posing as officials /posing as official communication channels of SEBI and offer to help investors to resolve their complaints. Often, investors are made to part with money in the name of processing fee, other fees, etc. SEBI has advised investors to inform the local police or cyber-crime authority about such frauds immediately.

*For details:*

[https://www.sebi.gov.in/media/press-releases/apr-2021/sebi-cautions-investors-against-impersonation\\_49823.html](https://www.sebi.gov.in/media/press-releases/apr-2021/sebi-cautions-investors-against-impersonation_49823.html)

### **SEBI Circular**

#### • **Reporting Formats for Mutual Funds**

SEBI has revised the formats for the reports to be submitted by Asset Management Companies (AMCs) to trustees, by AMCs to SEBI and by trustees to the SEBI on the basis of consultation from the industry.

SEBI has discontinued the submission of Compliance Certificate by an AMC on a bi-monthly basis and half-yearly basis to the trustees. The contents of both these reports have been suitably incorporated in the Quarterly Report by AMC to Trustees. The AMC shall submit quarterly reports to the trustees on its activities and the compliance with MF Regulations in the format as prescribed in this circular by 21<sup>st</sup> calendar day of succeeding month for the quarters ending March, June, September and December.

Complete Compliance Test Report (CTR) shall be submitted by AMC to SEBI instead of exceptional reporting on quarterly basis by 21<sup>st</sup> calendar day of succeeding month for the quarters ending March, June, September and December in the prescribed format. Further, Half Yearly Trustee Report by Trustees to SEBI has also been revised and prescribed in this circular.

For details : [https://www.sebi.gov.in/legal/circulars/apr-2021/circular-on-reporting-formats-for-mutual-funds\\_49813.html](https://www.sebi.gov.in/legal/circulars/apr-2021/circular-on-reporting-formats-for-mutual-funds_49813.html)

## Adjudication Order

### • SEBI penalizes Yes Bank in bonds case

SEBI imposed a fine of ₹25 crore on Yes Bank in the additional tier 1 bonds (AT1) mis-selling case. It has also penalized former head of the bank's private wealth management team Vivek Kanwar with a fine of ₹1 crore, and two other former executives, Ashish Nasa and Jasjit Singh Banga, with a fine of ₹50 lakh each.

It was observed that the noticees had facilitated selling of AT1 bonds of Yes Bank from institutional investors to individual investors. It was alleged that during the process of selling bonds, individual investors weren't informed about all the risks involved in subscription of AT1 bonds.

SEBI found that Yes Bank had misrepresented the product as a 'Super FD' and 'as safe as an FD'. The term sheet was also not shared with many investors and no confirmation was taken from the customers on their understanding of the product's features and the risks associated with the bond.

For details : <https://www.livemint.com/market/stock-market-news/sebi-fines-yes-bank-25-crore-for-fraudulent-sale-of-riskier-bonds-11618237750930.html>

## ❖ Terminology for today

### Activist Investors

Investors who are actively pursuing governance changes at a corporation, including, without limitation, individual investors without outspoken personal beliefs, and social impact funds.

## ❖ Market Watch

### Stock Market Indices as on 13.04.2021

S & P BSE Sensex	48544.06 (+660.68)
Nifty 50	14504.80 (+194.00)

### Foreign Exchange Rates as on 12.04.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.58	102.18	88.71	0.68

## ❖ **Banking & Insurance**

### • **Punjab National Bank launches digital initiative PNB@Ease (April 13, 2021)**

Punjab National Bank (PNB) has launched a digital initiative PNB@Ease under which every transaction undertaken by a bank branch will be initiated and authorised by customers themselves. The service can range from savings accounts opening to availing various loans and more, without visiting a branch or help from the bank employees.

*For details: <https://www.livemint.com/industry/banking/punjab-national-bank-launches-digital-initiative-pnbease-11618272108888.html>*

### • **Bank credit rise 5.56%; deposits 11.4% in FY21 (April 12, 2021)**

As per the data released by Reserve Bank of India the Bank credit grew 5.56 per cent to Rs. 109.51 lakh crore, while deposits rose 11.4 per cent to Rs. 151.13 lakh crore in the financial year ended March 31, 2021.

*For details:*

*[https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-rise-5-56-deposits-11-4-in-fy21/articleshow/82036254.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-rise-5-56-deposits-11-4-in-fy21/articleshow/82036254.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)*

### • **RTGS to remain unavailable for 14-hr on Sunday due to technical upgrade (April 12, 2021)**

The RTGS for high-value transactions will remain unavailable for 14 hours from midnight of Saturday (April 17, 2021) due technical upgrade to further improve the disaster recovery time of the system, the RBI said in a statement. The popular National Electronic Funds Transfer or NEFT for fund transfers of up to Rs. 2 lakh will continue to be operational as usual during this period.

*For details: <https://www.financialexpress.com/industry/banking-finance/rtps-to-remain-unavailable-for-14-hr-on-sunday-due-to-technical-upgrade/2231798/>*

### • **General insurance : No differential rates for similar risks, says IRDAI (April 12, 2021)**

In order to protect the interest of policyholders, Insurance Regulatory and Development Authority of India (IRDAI) has issued draft regulations for the designing and pricing of general insurance products. The non-life insurance products will be classified into retail and commercial products on the basis of who buys them or on the basis of sum insured as specified by the regulator. The retail and commercial products shall be distinguished from one another with a suitable name change or prefix or suffix as the case may be and need to have a separate Unique Identification Number (UIN).

*For details : <https://www.financialexpress.com/money/insurance/general-insurance-no-differential-rates-for-similar-risks-irdai/2230257/>*

## ❖ Pronouncement

March 22, 2021	Sesh Nath Singh(Appellant) Vs. Baidyabati Sheoraphuli Co-operative Bank Ltd. (Respondent)	Supreme Court of India [CA 9198 OF 2019], LL 2021 SC 177
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### Section 14 Limitation Act Applies To Application under Section 7 IBC & Court/Tribunal Can Condone Delay under Section 5 Limitation Act Even In the Absence of A Formal Application :

#### Fact of the Case:

In this case, the National Company Law Appellate Tribunal rejected the contention raised by Corporate Debtor that since the account of the Corporate Debtor that since the account of the Corporate Debtor had been declared NPA on 31st March, 2013 and since the application under Section 7 of IBC had been filed on 27th August, 2018, after almost five years and five months from the date of accrual of the cause of action, the application filed by financial creditor is barred by limitation. The NCLAT held that, the applicant, the financial creditor, had bona fide, within the period of limitation , initiated proceedings against the Corporate Debtor under the SARFAESI Act and was thus entitled to exclusion of time under Section 14(2) of the Limitation Act. The NCLAT, after exclusion of the period of about three years and six months till the date of the interim order of the High Court, during which the Financial Creditor had been proceeding under SARFAESI Act, found that the application of the Financial Creditor, under Section 7 of IBC, was within limitation.

#### Judgement

In this case Hon'ble Supreme Court observed that *in our considered view, keeping in mind the scope and ambit of proceedings under the IBC before the NCLT/NCLAT, the expression 'Court' in Section 14(2) would be deemed to be any forum for a civil proceeding including any Tribunal or any forum under the SARFAESI Act.*

*In any case, Section 5 and Section 14 of the Limitation Act are not mutually exclusive. Even in a case where Section 14 does not strictly apply, the principles of Section 14 can be invoked to grant relief to an applicant under Section 5 of the Limitation Act by purposively construing 'sufficient cause'. It is well settled that omission to refer to the correct section of a statute does not vitiate an order. At the cost of repetition it is reiterated that delay can be condoned irrespective of whether there is any formal application, if there are sufficient materials on record disclosing sufficient cause for the delay.*

For details: <https://www.livelaw.in/top-stories/section-14-limitation-act-applies-to>

### Prepared by Directorate of Academics

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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