

Info Capsule

Thursday
December 17, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Law and Justice

Over 10 Lakh cases worth settlement value of nearly ₹3228.Cr disposed of in last National Lok Adalat of the year 2020 organised through both virtual and physical mode

Last National Lok Adalat of the year 2020 was organised through virtual and physical mode across the country under the aegis of the National Legal Services Authority on 12.12.2020. The requisite safety protocol in view of the COVID-19 pandemic was strictly observed by all SLSAs and DLSAs during organisation of daylong event of the Lok Adalat.

A total number of 8152 Benches were constituted by 31 SLSAs to conduct the National Lok Adalat. It was successful in disposing of 10,42,816 cases. Out of the total cases disposed of 5,60,310 cases were at the pre-litigation stage and 4,82,506 cases were those which were pending in the courts. The details, as provided by states on NALSA portal, indicate that the settlement amount was nearly ₹3227.99 Cr.

For details

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1681363>



**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 Board Meeting (December 16, 2020)

The SEBI Board met on December 16, 2020 where it, *inter-alia*, took the following decisions:

- **Amendments to SEBI (Mutual Funds) Regulations, 1996**

To facilitate innovation and enhanced reach to more investors at a faster pace including tech-enabled solutions, SEBI has proposed amendments to SEBI (Mutual Funds) Regulations, 1996 to make the sponsors that are not fulfilling profitability criteria at the time of making application also eligible to sponsor a mutual fund subject to having a net-worth of not less than INR 100 Cr. for the purpose of contribution towards the net-worth of the Asset Management Company (AMC).

- **Recalibration of Minimum Public Shareholding norms for listed companies going through Corporate Insolvency Resolution Process (CIRP)**

Presently, during Corporate Insolvency Resolution Process (CIRP) where the public shareholding falls below 10%, such listed companies are required to bring the public shareholding to at least 10% within a period of 18 months and to 25% within 36 months. The Board has decided that in respect of companies which continue to remain listed as a result of implementation of the resolution plan under the Insolvency and Bankruptcy Code, such companies will be mandated to have at least 5% public shareholding at the time of their admission to dealing on stock exchange, as against no minimum requirement at present. Further, such companies will be provided 12 months to achieve public shareholding of 10% from the date such shares of the company are admitted to dealings on stock exchange and 36 months to achieve public shareholding of 25% from the said date.

- **Amendments to SEBI (ICDR) Regulations, 2018**

The Board approved the proposal to do away with the applicability of Minimum Promoters' Contribution and the subsequent lock in requirements for issuers making a Further Public Offer subject to the fulfilment of the conditions as prescribed.

The SEBI Board, inter-alia, took the following other decisions:

- The Board approved amendment to SEBI (Investment Advisers) Regulations, 2013 (IA Regulations) requiring Investment Advisers (IA) to seek membership of a body recognised by SEBI for administration and supervision of IAs under IA Regulations.
- The Board approved amendment to SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations) to provide certain exemptions to AIFs in respect of Investment Committee members in terms of Regulation 20(6) of AIF Regulations, conditional upon capital commitment of at least INR 70 Crore from each investor accompanied by a suitable waiver.
- The Board approved the amendments to the SEBI (Intermediaries) Regulations 2008 with an objective to rationalize the processes in the said Regulations and to avoid the duplicity of proceedings before the Designated Authority and the Designated Member.
- The Board approved the repeal of SEBI (Central Database of Market Participants) Regulations, 2003.

For details:

https://www.sebi.gov.in/media/press-releases/dec-2020/sebi-board-meeting_48451.html

❖ **Direct Tax**

- **Notification No. 90/2020 u/s 138 for sharing of information with "Secretary, Citizen Resources Information Department, Govt. of Haryana (Dated December 15, 2020)**

The Central Government hereby specifies Secretary, Citizen Resources Information Department, Government of Haryana, for the purposes of the sub-clause (ii) of clause (a) of sub-section (1) of Section 138 of the Income tax Act, 1961 in connection with sharing of information regarding income-tax assesseees for identifying the eligible beneficiaries for transfer of financial assistance through Direct Benefit Transfer Scheme.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification90_2020.pdf

- **Income Tax Department conducts searches in Chandigarh (Dated December 16, 2020)**

The Income Tax Department carried out search and seizure operations on 13.12.2020 in the case of a Chandigarh based listed pharmaceutical company and its associated concerns. A total of 11 premises were covered spanning Chandigarh, Delhi and Mumbai.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1681129>

❖ **Business and Economics News**

• **'Farm talks are bound to fail': Supreme Court proposes forming panel (December 17, 2020)**

The Supreme Court on Wednesday indicated it may form a committee having representatives of the government and farmers to resolve the deadlock over the three new agricultural laws that have led to massive protests, saying "it may become a national issue".

For details:

https://www.business-standard.com/article/current-affairs/farm-talks-are-bound-to-fail-supreme-court-proposes-forming-panel-120121700039_1.html

• **What triggered the vandalism at Wistron iPhone facility (December 17, 2020)**

Violence at Wistron Corp's Narasapura facility near Bengaluru over alleged non-payment of promised remuneration to contract workers, overtime and around 12 hours shifts every day, the company had earlier claimed in their police complaint to have suffered losses over Rs 437 crore.

For details:

<https://www.indiatoday.in/india/story/what-triggered-the-vandalism-at-wistron-iphone-facility-1750319-2020-12-17>

❖ **Terminology for Today**

Ex facie

Latin for "on the face [of it]," is a legal term typically used to note that a document's explicit terms are defective without further investigation.

❖ **Market Watch**

Stock Market Indices as on 17.12.2020

S & P BSE Sensex	46890.34 (+223.88)
Nifty 50	13740.70 (+58.00)

Foreign Exchange Rates as on 16.12.2020

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

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.5209	98.9185	89.4068	.7098

❖ **Pronouncement**

December 14, 2020	<i>Vidya Drolia & Others (Appellants) vs. Durga Trading Corporation (Respondents)</i>	Supreme Court
----------------------	---	------------------

Landlord - Tenant Disputes Under Transfer Of Property Act Arbitrable Except When Covered By Rent Control Laws: Supreme Court

Fact of the case

In this case, the Supreme Court answered a reference made by a Division Bench in 2019, while considering the appeal against Calcutta High Court order appointing an arbitrator in a dispute between landlord and tenant. It was urged to determine the correctness of the judgment in *Himangni Enterprises v. Kamaljeet Singh Ahluwalia*, in which it was held that where the Transfer of Property Act, 1882 applied between landlord and tenant, disputes between the said parties would not be arbitrable.

Judgement

The three judge bench overruled the dictum in *Himangi Enterprises* case to hold that tenancy related disputes under the Transfer of Property Act are arbitrable. The Bench based its decision on the fact that landlord-tenant disputes are not actions in rem but pertain to subordinate rights in personam that arise from rights in rem. The Supreme Court further held an award passed in such disputes can be executed and enforced like a decree of the civil court. The provisions of the Transfer of Property Act do not expressly or by necessary implication bar arbitration. It further clarified that landlord-tenant disputes covered and governed by rent control legislation would not be arbitrable when specific court or forum has been given exclusive jurisdiction to apply and decide special rights and obligations. The Court overruled the ratio in *N. Radhakrishnan v. Maestro Engineers and others (2010)* inter alia observing that allegations of fraud can be made a subject matter of arbitration when they relate to a civil dispute. The Court set aside the Full Bench decision of the Delhi High Court in the case of *HDFC Bank Ltd v. Satpal Singh Bakshi* which holds that the disputes which are to be adjudicated by the DRT under the DRT Act are arbitrable. They are non-arbitrable. The judgment also laid down a four-fold test to determine arbitrability.

For details

<https://www.livelaw.in/top-stories/landlord-tenant-disputes-under-transfer-of-property-act-arbitrable-arbitration-rent-control-laws-supreme-court-167223>

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

VISION
"To be a global leader in promoting
good corporate governance"

ICSI Motto
सत्यं वद। धर्मं चर।
Speak the truth. Abide by the law.

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [@](#) | Online Helpdesk : <http://support.icsi.edu>