

Info Capsule

Wednesday
January 20, 2021



**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)

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

Important decisions taken by the Council of the ICSI at its meeting held on January 13, 2021 (January 18, 2021)

Several important decisions were taken by the Council of the ICSI at its meeting held on January 13, 2021 such as: Conduct of By-Election for filling the vacancy of the Member of the 13th Council of the Institute, due to the resignation of CS Siddhartha Murarka, elected from the Eastern India Regional Constituency; launch of new batch of Certificate Course on Certified CSR Professionals etc.

For details:

https://www.icsi.edu/media/web-modules/Important_decisions_taken_by_the_Council_of_the_ICSI_at_its_meeting_held_on_13th_January_2021.pdf

❖ **Securities Laws and Capital Markets**

SEBI Circular

- **Relaxations relating to procedural matters - Issues and Listing (January 19, 2021)**

SEBI vide Circular no. SEBI/HO/CFD/DIL2/ CIR/P/ 2020/78 dated May 06, 2020 granted one time relaxations from strict enforcement of certain Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, pertaining to Rights Issue opening. The relaxation mentioned in point (iv) of Circular is further extended and shall be applicable for Rights Issues opening upto March 31, 2021 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the said SEBI Circular No. SEBI/HO/CFD/ DIL2/ CIR/ P/ 2020/78 dated May 06, 2020.

For details : https://www.sebi.gov.in/legal/circulars/jan-2021/relaxations-relating-to-procedural-matters-issues-and-listing_48812.html

SEBI Order

- **In the matter of Schneider Electric President Systems Limited (January 19, 2021)**

SEBI has inter alia directed Schneider Electric President Systems Limited to list the equity shares of the company on a stock exchange having nationwide terminals or delist the company following the procedure prescribed under the SEBI (Delisting of Equity Shares) Regulations, 2009 within a period of six months. On February 14, 2017, the Company came out with an Exit Offer in terms of the SEBI Circular dated October 10, 2016 numbered SEBI/HO/MRD/ DSA/CIR/P/2016/110 on 'Exclusively Listed Companies (ELC) of Derecognised / Non-operational / exited Stock Exchanges placed in the Dissemination Board (DB)' at an exit price of Rs. 200.40 per equity share. An ELC which was eligible to list on a nationwide stock exchange, cannot unilaterally opt for delisting by taking recourse under the 2016 circular.

For details : <https://www.sebi.gov.in/enforcement/orders/jan-2021/order-in-the-matter-of-schneider-electric-president-systems-limited-in-respect-of-complaints-filed-by-mr-rajeev-thakkar-and-ors-48813.html>

SEBI Adjudication Orders

- **In the matter of M/s Asit C Mehta Investment Intermediaries Ltd. (January 19, 2021)**

SEBI imposed a penalty of Rs. 27 lakh on M/s Asit C Mehta Investment Intermediaries Ltd., Stock Broker for violating the provisions of Securities Contracts (Regulation) Act, 1956, Broker Regulation and various SEBI Circulars/NSE Circulars.

For details:

https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-m-s-asit-c-mehta-investment-intermediaries-ltd_48804.html

❖ **Banking & Insurance**

- **Jan Dhan accounts cross 41 crore : Finance Ministry**

The Finance Ministry on January 19, 2020 said that more than 41 crore people benefited from the Pradhan Mantri Jan Dhan Yojana (PMJDY), a flagship scheme of the government to promote financial inclusion.

For details:

<https://www.financialexpress.com/industry/banking-finance/jan-dhan-accounts-cross-41-crore-finance-ministry/2174434/>

- **'Too big to fail' list : SBI, ICICI Bank, HDFC Bank remain**

The Reserve Bank of India (RBI) has retained State Bank of India, ICICI Bank and HDFC Bank as Domestic Systemically Important Banks (D-SIBs) or banks that are considered as "too big to fail".

The D-SIB framework requires the Reserve Bank to disclose the names of banks designated as D-SIBs starting from 2015 and place these banks in appropriate buckets depending upon their Systemic Importance Scores (SISs). "Based on the bucket in which a D-SIB is placed, an additional common equity requirement has to be applied to it," the RBI said.

For details:

<https://indianexpress.com/article/business/banking-and-finance/too-big-to-fail-list-sbi-icici-bank-hdfc-bank-remain-7153597/>

❖ **Market Watch**

Stock Market Indices as on 20.01.2021

S & P BSE Sensex	49792.12 (+393.83)
Nifty 50	14644.70 (+123.55)

Foreign Exchange Rates as on 19.01.2021

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

INR / 1 USD	INR / 1GBP	INR / 1 EUR	INR/ 1 JPY
73.1803	99.5677	88.5101	.7035

❖ **Pronouncement**

January 08, 2021	<i>K P And Sons & Ors. (Appellant) vs. Union of India & Ors. (Respondent)</i>	Delhi High Court
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Sections 69 and 132 are not arbitrary and unreasonable but are constitutional and fall within legislative competence of Parliament

Facts of the case:

A petition filed in the Delhi High Court claimed that Section 69 being of criminal nature, it could not have been enacted under Article 246A of the Constitution. A person under the CGST Act can only be arrested, if the amount of tax evasion is more than Rs. 2 crore. All offences in which tax evasion is less than Rs. 5 crore are bailable and only grave offences involving tax evasion of Rs. 5 crore and above are non-bailable and cognisable.

Judgment:

Delhi High Court upholds the constitutional validity of Sections 69 & 132 of CGST Act, states that even if these sections could not have been enacted in pursuance to power under Article 246A of Constitution, they could have been enacted under Entry 1 of List III, as laying down of a crime and providing for its punishment is criminal law. The Court is of the prima facie view that in either option both Sections 69 and 132 of Act are constitutional and fall within the legislative competence of Parliament.

For details:

http://164.100.69.66/jupload/dhc/MMH/judgement/09-01-2021/MMH08012021CW54542020_151304.pdf

❖ **Terminology for today**

Passive Activity Loss

Loss generated from activities involved in the conduct of a trade or business in which the taxpayer does not materially participate.

Prepared by Directorate of Academics

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

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

ICSI Motto
सत्यं वद। धर्मं चर।
कहाके फेड त्रुथ: अकेडे डु फेड लव।

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"To develop high calibre professionals
facilitating good corporate governance"

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