

# Info Capsule

Thursday  
January 21, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ **Banking and Insurance**

### **Report of the Working Group (WG) to Study Cyber Liability Insurance (January 20, 2021)**

A Working Group was set up by the Insurance Regulatory and Development Authority of India (IRDAI) on October 19, 2020 to Study Cyber Liability Insurance. The Working Group has submitted various recommendations in its report which has two parts: Part-I and Part-II. IRDAI has placed the report of the Working Group and seek the valuable inputs of all stakeholders on the recommendations made in the report for feedback in a prescribed format on or before February 09, 2021.

*For details:*

[https://www.irdai.gov.in/ADMIN/CMS/cms/whatsNew\\_Layout.aspx?page=PageNo4348&flag=1](https://www.irdai.gov.in/ADMIN/CMS/cms/whatsNew_Layout.aspx?page=PageNo4348&flag=1)



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

### **SEBI Adjudication Orders**

- **Adjudication order in respect of Mansoor Khanda and Firoz Khanda (Noticees) in the matter of their non-compliance with the order of disgorgement of SEBI (January 20, 2021)**

SEBI imposed a penalty of Rs. 25 lakh on the Noticees for disregarding the directions of SEBI to disgorge the ill-gotten gains made from their activities as unregistered investment adviser which shows unwillingness on the part of the Noticees to comply with the directions of SEBI.

*For details:*

[https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-mansoor-khanda-and-firoz-khanda-in-the-matter-of-their-non-compliance-with-the-order-of-disgorgement-of-sebi\\_48820.html](https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-mansoor-khanda-and-firoz-khanda-in-the-matter-of-their-non-compliance-with-the-order-of-disgorgement-of-sebi_48820.html)

### **SEBI News**

- **Future Group-Reliance Industries deal gets SEBI approval (January 20, 2021)**

SEBI granted approval to the deal between Kishore Biyani-led Future Group and Reliance Retail, an arm of the Mukesh Ambani-led Reliance Industries Limited (RIL) on January 20. The SEBI, in its letter of approval, listed a number of conditions in accordance to the Composite Scheme of Arrangement.

*For details:*

<https://www.moneycontrol.com/news/business/future-group-reliance-industries-deal-gets-sebi-approval-6374131.html>

## ❖ *General Law*

### **Supreme Court constitutes Committee to submit suggestions to facilitate timely filing of Appeals/Petitions by Convicts (January 20, 2021)**

The Supreme Court has constituted a committee of experts to submit suggestions to facilitate access to justice and timely filing of appeals/petitions by convicts through legal service institutions.

The Committee has been asked to submit a report within four weeks "with regard to digitization, translation and electronic transmission of records to facilitate access to justice and timely filing of appeals/SLPs by the convicts, by utilizing the Information and Communication Technology tools".

*For details:*

<https://www.livelaw.in/top-stories/sc-constitutes-committee-suggestions-facilitate-timely-filing-appealspetitions-by-convicts-168674>

## ❖ *Terminology for Today*

### **Corporate Defense Management (CDM)**

The multi-dimensional framework employed by an organization to manage the critical components which constitute an organization's corporate defense program. This includes the integrated management of its governance, risk, compliance, intelligence, security, resilience, controls, and assurance activities.

## ❖ *Market Watch*

<b>Stock Market Indices as on 21.01.2021</b>	
S & P BSE Sensex	49624.76 (-167.36)
Nifty 50	14590.35 (-54.35)

<b>Foreign Exchange Rates as on 20.01.2021</b> <i>(<a href="https://www.fbil.org.in/#/home">https://www.fbil.org.in/#/home</a>)</i>			
<b>INR / 1 USD</b>	<b>INR / 1 GBP</b>	<b>INR / 1 EUR</b>	<b>INR / 1 JPY</b>
73.1251	99.8874	88.8046	.7048

❖ **Pronouncement**

December 22, 2020	<i>Bishal Jaiswal (Appellant) vs. Asset Reconstruction Company (India) Ltd. &amp; Anr. (Respondents)</i>	NCLAT
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### **Entries in the Balance Sheet do not amount to Acknowledgment of Debt under Section 18 of the Limitation Act, 1963.**

#### **Fact of the Case:**

An appeal was filed by the Corporate Debtor against the order passed by the NCLT, Kolkata bench admitting the insolvency petition filed by a consortium of lenders. The corporate debtor contended that the accounts were declared as NPA in 2014 and application under Section 7 of the Insolvency and Bankruptcy Code, 2016 was filed in 2018 after a delay of around 5 years, hence the same was barred by limitation. Financial Creditor, on the other hand, contended that the right to sue for the first time accrued to it upon classification of the account as NPA but thereafter, the Corporate Debtor had admitted, time and again, and unequivocally acknowledged its debt in the Balance Sheets. Hence, the right to sue stood extended in terms of Section 18 of the Limitation Act, 1963.

#### **Issue:**

Whether entries in books of accounts will not amount to acknowledgment of debt under Section 18 of the Limitation Act, 1963?

#### **Order:**

The NCLAT on the basis of the authoritative pronouncements and binding precedents of the Supreme Court arrived at the conclusion that for purpose of computing the period of limitation under Section 7 of the Insolvency and Bankruptcy Code, 2016 (I&B Code), the date of default is NPA. It referred to the Supreme Court's decision in *Babulal Vardharji Gurjar vs. Veer Gurjar Aluminum Industries Ltd. & Anr.*, whereby it was observed that Section 18 of the Limitation Act, 1963 would have no application to proceedings under I&B Code. Therefore, the issue raised as regards acknowledgement of liability by reflection in the Balance Sheet/ Annual Return would be irrelevant.

For details:

<https://nclat.nic.in/Useradmin/upload/11448957295fe1d4154cc9f.pdf>

### **Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269

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