

# Info Capsule

Thursday  
December 03, 2020

**President : CS Ashish Garg**

**Vice President : CS Nagendra D. Rao**

## ❖ **Insolvency**

### **Data on Corporate Insolvency Resolution Process (CIRP)**

- Corporate Insolvency Resolution Processes Yielding Resolution : As on 30th September, 2020 is available at the link <https://www.ibbi.gov.in/uploads/whatsnew/9ec08a13fdaab7c36643f404b96b2010.pdf>
- The data of Corporate Insolvency Resolution Processes Ending with Order of Liquidation : As on 30th September, 2020 is available at the link : <https://www.ibbi.gov.in/uploads/whatsnew/09e0440b2a6942e15e384a3d287d5158.pdf>



**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 CIRCULAR**

- **Operational guidelines for Transfer and Dematerialization of re-lodged physical shares (December 02, 2020)**

SEBI, vide its circular dated September 07, 2020, has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer requests and has stipulated that such transferred shares shall be issued only in demat mode. In this regard, SEBI has issued the operational guidelines for crediting the transferred shares into the respective demat account of the investor. Through these guidelines SEBI, *inter-alia*, provided that subsequent to processing of the re-lodged transfer request, the RTA shall retain the physical shares and intimate the investor (transferee) about the execution of transfer through Letter of Confirmation and the investor shall submit the demat request, within 90 days of issue of Letter of Confirmation, to Depository participant (DP) along with the Letter of Confirmation.

*For details:*

[https://www.sebi.gov.in/legal/circulars/dec-2020/operational-guidelines-for-transfer-and-dematerialization-of-re-lodged-physical-shares\\_48336.html](https://www.sebi.gov.in/legal/circulars/dec-2020/operational-guidelines-for-transfer-and-dematerialization-of-re-lodged-physical-shares_48336.html)

### **Consultation Paper**

- **Consultation Paper on 'Review of the NCDs along with warrants' under QIP (December 02, 2020)**

The SEBI has placed a consultation paper on review of the 'Non-convertible Debentures (NCDs) along with warrants' as a stapled product offering or as a segregated product offering, through Qualified Institutional Placement (QIP) route under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR') for public comments on the following -

1. Discontinuing segregated offering of 'NCDs along with warrants' to QIBs through QIP mechanism under SEBI ICDR Regulations.
2. Stapled offering of 'NCDs along with warrants' to QIBs may be retained under SEBI ICDR Regulations, with ability to segregate the instruments after the issuance/allotment. However, to curtail misuse of the product by way of issuing a tail warrant with NCDs, a minimum threshold may be prescribed for warrant portion [say warrant portion should constitute minimum 40% of total issue size].
3. Allowing issuance of 'naked warrants' to QIBs through QIP mechanism under SEBI ICDR Regulations with guidelines on upfront payment, pricing and tenure of warrants.

*For details:*

[https://www.sebi.gov.in/reports-and-statistics/reports/dec-2020/consultation-paper-on-review-of-the-ncds-along-with-warrants-under-qip\\_48339.html](https://www.sebi.gov.in/reports-and-statistics/reports/dec-2020/consultation-paper-on-review-of-the-ncds-along-with-warrants-under-qip_48339.html)

### **SEBI in News**

- **Lakshmi Vilas Bank comes under SEBI scanner for 'insider trading' (December 02, 2020)**

Capital markets regulator SEBI is examining Chennai-based Lakshmi Vilas Bank (LVB) for possible violation of disclosure norms, including insider trading rules, amid the controversy over the lender's takeover by DBS Bank India. The markets regulator is scrutinising the surveillance report submitted by one of the stock exchanges, which suspected unfair trade practices and even flouting of insider trading norms by certain entities close to the erstwhile management of LVB.

*For details:*

[https://www.business-standard.com/article/markets/lakshmi-vilas-bank-comes-under-sebi-scanner-for-insider-trading-120120201540\\_1.html](https://www.business-standard.com/article/markets/lakshmi-vilas-bank-comes-under-sebi-scanner-for-insider-trading-120120201540_1.html)

### **❖ Terminology for Today**

#### **Accrual Basis Accounting**

An accounting method in which revenues (or income) are entered into the accounting system when they are payable (even though the money may not have been received yet), and expenses are recognized when the commitment to pay is made (even though no payment may have occurred yet). Compare with Cash Basis Accounting.

## ❖ **Business and Economics News**

- **UK becomes first country to authorize Pfizer/BioNTech's Covid-19 vaccine, first shots roll out next week (December 03, 2020)**

The United Kingdom has become the first Western nation to authorize a Covid-19 vaccine, a landmark moment in the coronavirus pandemic that paves the way for the first doses to be rolled out across the country next week.

*For details:*

<https://edition.cnn.com/2020/12/02/uk/pfizer-coronavirus-vaccine-uk-intl-hnk/index.html>

- **After e-commerce, CCI looks at pharma sector to unlock competition (December 03, 2020)**

The Competition Commission of India (CCI) has launched a study to identify and address anti-competitive practices in the pharmaceutical sector as the country grapples with the Covid-19 pandemic that has accelerated household spending on health care. Ashok Gupta, chairperson of the CCI, told Business Standard that identifying mechanisms that lock competition in the pharmaceutical markets and addressing them through proper instruments becomes all the more important during a pandemic.

*For details:*

[https://www.business-standard.com/article/economy-policy/after-e-commerce-cci-looks-at-pharma-sector-to-unlock-competition-120120300026\\_1.html](https://www.business-standard.com/article/economy-policy/after-e-commerce-cci-looks-at-pharma-sector-to-unlock-competition-120120300026_1.html)

- **SC direct Centre to install CCTV cameras in offices of CBI, ED, NIA, other probe agencies(December 02, 2020)**

The Supreme Court directed the Centre on Wednesday to install CCTV cameras and recording equipment at the offices of investigating agencies, including the CBI, the ED and National Investigation Agency (NIA), which conduct interrogations and have the power of arrest.

*For details:*

<https://indianexpress.com/article/india/sc-directs-centre-to-install-cctv-cameras-in-offices-of-cbi-ed-nia-other-probe-agencies-7077240/>

## ❖ **Market Watch**

### **Stock Market Indices as on 03.12.2020**

|                  |                   |
|------------------|-------------------|
| S & P BSE Sensex | 44632.65 (+14.61) |
| Nifty 50         | 13133.90 (+20.15) |

### **Foreign Exchange Rates as on 02.12.2020**

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

| <b>INR / 1 USD</b> | <b>INR / 1 GBP</b> | <b>INR / 1 EUR</b> | <b>INR/ 1 JPY</b> |
|--------------------|--------------------|--------------------|-------------------|
| 73.6501            | 98.8345            | 88.9374            | .7052             |

## ❖ Pronouncement

|                   |  |               |
|-------------------|--|---------------|
| November 26, 2020 | <i>Non Vallesina Engineering SpA (now known as Noy Ambiente S.p.a (Appellant) vs. Jindal Drugs Limited &amp; Ors. (Respondent)</i> | Supreme Court |
|-------------------|--|---------------|

### Proceedings U/s 34 Arbitration & Conciliation Act Not Maintainable Against Foreign Award : Supreme Court

#### Fact of the case

In this case, respondent filed a petition before the Bombay High Court under Section 34 of the Act challenging the partial award. Though the single bench dismissed this petition, the Division Bench, referring to the Supreme Court decisions in *Bhatia International v. Bulk Trading S. A. & Anr* and *Venture Global Engineering v. Satyam Computer Services Ltd. & Anr*, held that proceedings under Section 34 of the Act could be validly maintained to challenge a foreign award.

In appeal, the Supreme Court opined that the Arbitration Act, 1996 has accepted the territoriality principle which has been adopted in the UNCITRAL Model Law and Section 2(2) makes a declaration that Part I of the Arbitration Act, 1996 shall apply to all arbitrations which take place within India.

#### Judgment

The supreme court having regard to the precedential unanimity about the manner of applicability of BALCO, with respect to the law of the seat of arbitration (or the curial law) excluding applicability of Part I of the Act, and the unambiguous intention of the parties in the present case that the seat of arbitration was London, and the awards rendered, opined that the impugned judgment cannot be sustained. The bench set aside the High Court order.

For more details:

<https://www.livelaw.in/top-stories/sec-34-arbitration-conciliation-act-not-maintainable-against-foreign-award-166544>

### 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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