

# Info Capsule

Tuesday  
August 04, 2020

**President : CS Ashish Garg**

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

## ❖ Latest @ ICSI

### **Temporary Relaxation in Regulations 46BA and 46BB of the Company Secretaries Regulations 1982**

MCA has approved the recommendation for the extension of application of the Regulations 46BA and 46BB of the Company Secretaries Regulations 1982. With this, the period for compulsory switchover of training is extended further for a period of six months i.e. upto February 2, 2021.

Further, the students are allowed to commence their 21 Months Practical Training after completion of 15 Days EDP in online mode instead of One Month EDP. However, the students are required to complete the remaining 15 Days of EDP in classroom mode within six months of commencement of their Practical training.

[https://www.icsi.edu/media/webmodules/Notification\\_030820.pdf](https://www.icsi.edu/media/webmodules/Notification_030820.pdf)

## ❖ Ministry of Corporate Affairs

MCA vide notification dated July 28, 2020 notified the National Company Law Tribunal and National Company Law Appellate Tribunal (Procedure for Investigation of Misbehavior or Incapacity of Chairperson, President and other Members) Rules, 2020.

<http://egazette.nic.in/WriteReadData/2020/220734.pdf>

## ❖ NCLAT

NCLAT has issued Revised Standard Operating Procedure for Advocate/ Authorised Representative / Party-in-Person for mentioning the matter for hearing through virtual mode.

<https://nclat.nic.in/Useradmin/upload/5060879105f243346eb20c.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

### SEBI CIRCULAR

#### • Procedural Guidelines for Proxy Advisors (August 3, 2020)

Regulation 24(2) read with 23(1) of SEBI (Research Analyst) Regulations, 2014 mandates proxy advisors to abide by Code of Conduct specified therein. In this regard SEBI has decided that proxy advisors shall, inter alia, formulate the voting recommendation policies and disclose the updated voting recommendation policies to its clients. Proxy Advisors shall ensure that the policies should be reviewed at least once annually. The voting recommendation policies shall also disclose the circumstances when not to provide a voting recommendation.

[https://www.sebi.gov.in/legal/circulars/aug-2020/procedural-guidelines-for-proxy-advisors\\_47250.html](https://www.sebi.gov.in/legal/circulars/aug-2020/procedural-guidelines-for-proxy-advisors_47250.html)

#### • Expression of Interest for Development of Virtual Museum of Securities Market (July 30, 2020)

SEBI is looking for engaging agency(ies)/ organization(s) for developing virtual museum for securities market and invites Expression of Interest (EOI) from companies/firms (Bidders). The Museum is intended to be a visual online history of evolution, achievements and milestones in the Indian securities market over decades in terms of market infrastructure, regulation, enforcement, etc. told through photos, videos, articles, media clippings, etc.

<https://www.sebi.gov.in/sebiweb/about/AboutAction.do?doTender=yes>

### SEBI ORDER (July 31, 2020)

SEBI granted relaxation to Wintac Limited and its Promoter, from the strict enforcement of the requirements under Regulations 8(1)(d), 10(1) and 12(1) of the Delisting Regulations 2009, as requested in the application, subject to the conditions stated in the order.

[https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-delisting-of-equity-shares-of-wintac-limited\\_47221.html](https://www.sebi.gov.in/enforcement/orders/jul-2020/order-in-the-matter-of-delisting-of-equity-shares-of-wintac-limited_47221.html)

### ADJUDICATION ORDER (July 31, 2020)

SEBI, in the matter of Parichay Investment Ltd., imposed a penalty of Rs. 1.20 crore on 16 individuals being related or connected with one another. These 16 individuals had executed trades which were manipulative and indulged in trades with manipulative intent to create misleading appearance of trading. These practices certainly are in the nature of causing possible adverse impact in disturbing the equilibrium of fair market mechanism and inducing investors.

[https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-16-entities-in-the-matter-of-parichay-investment-limited\\_47230.html](https://www.sebi.gov.in/enforcement/orders/jul-2020/adjudication-order-in-respect-of-16-entities-in-the-matter-of-parichay-investment-limited_47230.html)

❖ **Banking & Insurance**• **Bank accounts opened under Jan Dhan Yojana crosses 40-crore mark**

As per the latest figure, there are 40.05 crore beneficiaries of this scheme and deposits in Jan Dhan bank accounts are in excess of ₹1.30 lakh crore.

<https://www.livemint.com/industry/banking/bank-accounts-opened-under-jan-dhan-yojana-crosses-40-crore-mark-11596440977419.html>

• **RBI Board to meet on 14 August, 2020 over Dividend**

According to a person aware of the matter, the Central Board of Reserve Bank of India will meet on 14 August, 2020 to discuss the dividend transfer to the Government. The Government has budgeted ₹60,000 crore as dividends from RBI and state-run banks and financial institutions, as per Union Budget 2020-21.

<https://www.livemint.com/industry/banking/rbi-board-to-meet-on-14-august-over-dividend-11596503787477.html>

• **ECLGS : Banks sanction Rs. 1.36 lakh crore under Emergency Credit Scheme, says CARE Ratings**

As per the CARE Ratings Report, released Both public and private sector banks, have sanctioned Rs. 1.36 lakh crore in about 40 lakh accounts under the Emergency Credit Line Guarantee Scheme (ECLGS) till July 29, 2020 The total sanctioned amount works out to be 46 per cent of the target of Rs. 3 lakh crore set up by the Government while announcing the relief package for industry, especially the MSME sector, which was hit hard by the coronavirus pandemic.

<https://www.financialexpress.com/industry/banking-finance/eclgs-banks-sanction-rs-1-36-lakh-crore-under-emergency-credit-scheme-says-care-ratings/2043791/>

• **RBI's Draft Code on Governance : Private Banks CEOs likely to get 15 years Tenure**

The tenure of Chief Executive Officers (CEOs) of private banks, be they promoters or professionals, may be capped at 15 years. This could be the part of revisit of Central Bank's Draft Code on Governance, to which banks have given their responses. The other change on the cards is to make CEOs the part of the Risk Management Committee (RMC) and an invitee to Audit Committee (AC) meetings. The chairman's presence on key committees may be decided by the board, based on the expertise of the incumbent.

[https://www.business-standard.com/article/finance/rbi-s-draft-code-on-governance-private-bank-ceos-may-get-tenure-of-15-yrs-120080301695\\_1.html](https://www.business-standard.com/article/finance/rbi-s-draft-code-on-governance-private-bank-ceos-may-get-tenure-of-15-yrs-120080301695_1.html)

❖ **Indirect Tax****Goods and Services****Gujarat High Court allows refund of tax on Input Services under Inverted Duty Structure**

In a relief to businesses, the Gujarat High Court ruled that companies can claim refund using Unutilized Tax Credit arising from Input Services under the Inverted Duty Structure. Gujarat High Court observed that disallowing refund of the tax paid on input services is contrary to the Central Goods and Services Tax Act.

[https://www.business-standard.com/article/companies/gujarat-hc-allows-tax-credit-on-services-under-gst-signalling-help-to-cos-120080300465\\_1.html](https://www.business-standard.com/article/companies/gujarat-hc-allows-tax-credit-on-services-under-gst-signalling-help-to-cos-120080300465_1.html)

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	37687.91 (+748.31)
Nifty 50	11095.25 (+203.65)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.66 (+0.06%)	87.92 (-0.45%)	97.69 (-0.21%)	0.70 (-0.72%)

## ❖ Business and Economic News

- As per the Report of Registrar of Companies (RoC), Hyderabad, submitted to the Union Ministry of Corporate Affairs (MCA) and other statutory authorities, it is affirmed that Karvy Stock Broking Ltd (KSBL) raised loans by pledging shares of its clients and diverted around ₹1,100 crore to group companies like Karvy Realty  
<https://timesofindia.indiatimes.com/city/hyderabad/karvy-pledged-clients-securities-to-raise-funds-registrar-of-companies/articleshow/77346830.cms>
- SEBI in its filing for the Franklin Templeton Case in Karnataka High Court has said that Reopening for transactions under six debt schemes of Franklin Templeton that were previously wound down, will have a contagion risk on the entire mutual fund industry. The court is hearing the four cases filed by investors who challenged the fund house's decision to wind down the six debt schemes without the consent of unit holders.  
<https://www.livemint.com/market/stock-market-news/reopening-ft-schemes-will-have-a-contagion-risk-sebi-11596413093019.html>
- The use of 'non-funded' fixed deposits (FDs) as collateral to get a trading limit in equity and commodity markets has come under the scanner of the SEBI. The regulator has sought details of 'cash collaterals' from Exchanges' Clearing Corporations (CC), where private banks promise ₹100 worth FDs against ₹50 actually deposited by a broker.  
<https://www.thehindubusinessline.com/markets/stock-markets/non-funded-fds-as-collateral-under-sebi-lens/article32254494.ece>
- The falling fixed deposit rates of banks should not be a driving force for retail investors to put their money in the capital market, and they should revalidate their investment strategies carefully during the current COVID-19 crisis.  
<https://www.livemint.com/news/india/falling-fd-rates-shouldn-t-be-driving-you-to-buying-stocks-sebi-official-11596254507961.html>
- The Supreme Court has started uploading the translated version of its judgements in more regional languages. Some judgements delivered by the Court last year and earlier this year are now seen available in Malayalam, Tamil and Punjabi.  
<https://www.livelaw.in/news-updates/sc-started-uploading-judgments-in-more-regional-languages-160909>

## ❖ Pronouncement

### Section 138 NI Act : Cheque Not Valid If Amount Written Is Uncertain, Holds Delhi Court

Delhi Court in the matter of *M/s Shree Tyres vs. M/s Bridgestone India Private Limited* has recently held that an instrument cannot be termed as a cheque, if it does not specify a "certain amount" of money to be paid to a certain person. Thus if the amount is written on the instrument is "absurd" the same cannot be called a cheque and it will not draw any legal consequences under the Negotiable Instruments Act, 1881.

The Hon'ble Court clearly observed that in the present case, as Instrument presented was not a cheque within the definition of Section 6 of NI Act, a notice for subsequent dishonor of such instrument will not impose liability upon drawee either for non-compliance and for non-issuance of fresh cheque.

<https://www.livelaw.in/news-updates/section-138-ni-act-cheque-not-valid-if-amount-written-is-uncertain-holds-delhi-court-read-order-160895>

## 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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