

# Info Capsule

Monday  
November 07, 2022

President

CS Devendra V. Deshpande

## ❖ Latest @ ICSI

### Feedback on Company Forms in MCA21-V3

As you are aware, 9 Company forms (DIR3-KYC, DIR3-KYC web, CHG-1,4,6,8,9, DPT-3, DPT-4) are available in V3 portal of MCA for filing purposes.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/ issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

For details:

<https://forms.gle/W9purFbseeu9D5tK8>



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भारतीय कम्पनी सचिव संस्थान  
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## ❖ Consumer Protection

### Central Consumer Protection Authority passes Order against Cloudbail for selling domestic pressure cookers in violation of mandatory BIS standards (November 5, 2022)

The Central Consumer Protection Authority (CCPA) has passed order against Cloudbail India Pvt. Ltd. for violation of consumer rights and unfair trade practice by selling domestic pressure cookers in violation to mandatory standards prescribed as per Domestic Pressure Cooker (Quality Control) Order, 2020.

CCPA initiated *suo-moto* action against e-commerce platforms for sale of domestic pressure cookers in violation to compulsory standards on its e-commerce platforms. CCPA had issued notice to major e-commerce platforms including Amazon, Flipkart, Paytm Mall, Shopclues and Snapdeal as well as to the sellers registered on these platforms.

In the order, CCPA directed Cloudbail to recall the 1,033 units of pressure cookers sold by it and reimburse the prices of the recalled pressure cookers to the consumers and submit a compliance report within 45 days. The company was also directed to pay a penalty of ₹1,00,000 for selling domestic pressure cookers to consumers in violation to mandatory standards prescribed under the QCO and violating the rights of consumers.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1873903>

## ❖ **Securities Laws & Capital Market**

### SEBI News

- **SEBI closes 107 cases under settlement mechanism in FY22; collects Rs 59 cr (November 06, 2022)**

As many as 107 applications pertaining to flouting of securities law were settled with capital markets regulator SEBI fetching Rs 59 crore through settlement charges in 2021-22. This was way lower than 216 applications disposed of by passing appropriate settlement orders and the regulator collected Rs 68.23 crore in 2020-21, according to the latest disclosure made by SEBI in its annual report. The settlement orders were passed in cases related to alleged violations of AIF (Alternative Investment Funds) as well as mutual fund norms, insider trading rules, PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) and LODR (Listing Obligations and Disclosure Requirements) rules, among others. Under the settlement mechanism, an alleged wrongdoer can settle a pending case with the regulator without admission or denial of guilt by paying a settlement fee. The settlement mechanism is a tool for ensuring speedy and efficient resolution of disputes.

*For details:*

[https://www.business-standard.com/article/markets/sebi-closes-107-cases-under-settlement-mechanism-in-fy22-collects-rs-59-cr-122110600190\\_1.html](https://www.business-standard.com/article/markets/sebi-closes-107-cases-under-settlement-mechanism-in-fy22-collects-rs-59-cr-122110600190_1.html)

- **Reliance Strategic Investments appoints K V Kamath as Independent Director (November 04, 2022)**

Reliance Strategic Investments (RSIL) appointed K V Kamath as non-executive Chairman. RSIL will be renamed as Jio Financial Services (JFSL) & will be listed soon. K V Kamath will continue as Independent Director & non-executive Chairman of JFSL. Kamath is a banker who started his career in 1971 at ICICI. In 1988, he moved to the Asian Development Bank and spent several years in South East Asia before returning to the ICICI as its Managing Director and CEO in 1996 and post its merger into ICICI Bank, was Managing Director and CEO of ICICI Bank.

*For details:*

[https://www.business-standard.com/article/companies/reliance-strategic-investments-appoints-k-v-kamath-as-independent-director-122110401411\\_1.html](https://www.business-standard.com/article/companies/reliance-strategic-investments-appoints-k-v-kamath-as-independent-director-122110401411_1.html)

## ❖ **Terminology for today**

### Dim Sum Bond

'Dim sum bond' is a slang term for bonds denominated in Chinese renminbi and issued in Hong Kong. Dim sum bonds are attractive to foreign investors who desire exposure to renminbi-denominated assets, but are restricted by China's capital controls from investing in domestic Chinese debt.

## ❖ **Pronouncement**

04/11/2022	<i>Chowgule &amp; Company Limited (Appellant) vs. Assistant Director General of Foreign Trade &amp; Others (Respondents)</i>	<i>Supreme Court of India Civil Appeal No. 8225 of 2009</i>
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**No Exporter can claim the Incentive as a Matter of Right. Benefit of an Incentive is a Policy Decision which may be Varied and/or even Withdrawn.**

### **Brief Facts:**

Under the Indian Foreign Trade Policy (hereinafter referred to as the 'Exim Policy' 1988-1991, there was a provision of 'additional licence' and a trading house would be eligible to 'additional licence' on the basis of the admissible exports in the preceding licensing year. Appellant is engaged *inter alia* in the export of processed iron ore and is a recognised trading house and obtained 'additional licence' under the said policy. On relying upon the original Exim Policy, 1988-91 and acting upon the said policy, the Appellant entered into a contract with NKK Corporation, Japan on 7.2.1990, for export of processed iron ore, which was not an ineligible item in Appendix 12 under the Exim Policy, 1988-91.

In the year 1990, there was a change in the Exim Policy and the Director General, Foreign Trade came out with a new policy, namely, Exim Policy, 1990-93. According to the Exim Policy, 1990-93, Appellant was not eligible for additional licence.

The Appellant applied to the Assistant Chief Controller of Imports and Exports for grant of additional licence and it was rejected. Further, the Appellant appealed to the High Court. The High Court dismissed the writ petition by holding that the Appellant shall not be entitled to the benefit of additional licence on the export of processed iron ore during the period April, 1990 to March, 1991. Feeling aggrieved and dissatisfied with the impugned judgment and order passed by the High Court, the Appellant exporter has preferred the present appeal to the Supreme Court.

### **Judgement**

The Hon'ble Supreme Court of India *inter alia* observed that DGFT/Union is free to change the Exim Policy and consider from time to time on which items there shall be an incentive and on which items there shall not be any incentive. To grant the benefit of an incentive is a policy decision which may be varied and/or even withdrawn. No exporter can claim the incentive as a matter of right. Under the circumstances, the doctrine of promissory estoppel shall not be applicable to such a policy decision with respect to incentive, more particularly when it is well within the right of DGFT/appropriate authority/Union to come out with a new Exim Policy. Under the circumstances, the submission on behalf of the appellant that as the appellant placed the order with NKK Corporation, Japan on 7.2.1990 when the Exim Policy 1988-91 was in force and therefore the Appellant shall be entitled to the benefit of additional licence by applying the doctrine of promissory estoppel cannot be accepted.

The policy and the incentive scheme are very clear. Incentive in the form of an additional licence is on actual export in the previous year. Therefore, the relevant date shall be the date on which the export is made. Under the circumstances, the decisions relied upon on behalf of the Appellants on the principle of *promissory estoppel* shall not be of any assistance to the appellant and shall not be applicable at all on the facts of the case on hand.

For details:

[https://main.sci.gov.in/supremecourt/2008/22690/22690\\_2008\\_6\\_1505\\_39466\\_Judgement\\_04-Nov-2022.pdf](https://main.sci.gov.in/supremecourt/2008/22690/22690_2008_6_1505_39466_Judgement_04-Nov-2022.pdf)

## ❖ Banking and Insurance

### Liquidity turns surplus as demand for cash drops post festive season (November 07, 2022)

The liquidity in the banking system has turned to a surplus in November as the demand for cash seen during the festive season tapers and also on likely increase in government spending. During the first three days of the month, the Reserve Bank of India (RBI) absorbed a daily average of Rs. 71,090 crore from the banking system. This compares with a daily average injection of Rs. 58,213.98 crore between October 20 and October 31, 2022, when the liquidity situation tightened on account of higher demand for cash during the festival season, GST and other tax related outflows and the Reserve Bank's intervention in the foreign exchange market to contain volatility in the rupee.

For details:

<https://indianexpress.com/article/business/banking-and-finance/liquidity-turns-surplus-as-demand-for-cash-drops-post-festive-season-8253524/>

## Market Watch

Stock Market Indices as on 07.11.2022	
S & P BSE Sensex	61185.15 (+234.79)
Nifty 50	18202.80 (+85.65)

Foreign Exchange Rates as on 04.11.2022 ( <a href="https://www.geojit.com/currency-futures">https://www.geojit.com/currency-futures</a> )			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.82	80.96	93.29	0.56

### Prepared by Directorate of Academics

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

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