

# Info Capsule

Monday  
November 09, 2020

**President : CS Ashish Garg**

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

## ❖ Latest @ ICSI

### **Schedule of Online Doubt Clearing Classes for students appearing in December 2020, Examination (November 08, 2020)**

The ICSI has announced the schedule for Online Doubt Clearing classes commencing from November 10, 2020 to November 16, 2020 for the following subjects:

- a) Financial and Strategic Management [Module-II- Executive Programme (N/S)]
- b) Corporate Funding & Listings in Stock Exchanges [Module III- Professional Programme (N/S)]

*For details:*

[https://www.icsi.edu/media/web\\_modules/Financial\\_and\\_Strategic\\_Management.pdf](https://www.icsi.edu/media/web_modules/Financial_and_Strategic_Management.pdf)

[https://www.icsi.edu/media/web\\_modules/Corporate\\_Funding\\_&\\_Listings\\_in\\_Stock\\_Exchanges.pdf](https://www.icsi.edu/media/web_modules/Corporate_Funding_&_Listings_in_Stock_Exchanges.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 Law & Capital Markets**

### **SEBI Circulars**

#### • **Investor Grievance Redressal Mechanism (November 6, 2020)**

In order to further strengthen the Investor Grievance Redressal Mechanism, SEBI has issued clarification to its circular dated August 11, 2010, February 09, 2011, and September 26, 2013 where it has clarified that Stock Exchange shall ensure that the investor complaints shall be resolved within 15 working days from the date of receipt of the complaint. Additional information, if any, required from the complainant, shall be sought within 7 working days from the date of receipt of the complaint. Stock Exchange shall maintain a record of all the complaints addressed/redressed within 15 working days from the date of receipt of the complaint/additional information.

*For details : [https://www.sebi.gov.in/legal/circulars/nov-2020/investor-grievance-redressal-mechanism\\_48105.html](https://www.sebi.gov.in/legal/circulars/nov-2020/investor-grievance-redressal-mechanism_48105.html)*

#### • **Introduction of “Flexi Cap Fund” as a new category under Equity Schemes (November 6, 2020)**

In order to give more flexibility to the mutual funds, a new category named “Flexi Cap Fund”, an open ended dynamic equity scheme will be available which require such schemes to invest minimum 65 per cent of the total assets in equity & equity related instruments, across large cap, mid cap and small cap stocks. For easy identification by investors and in order to bring uniformity in names of schemes for a particular category across Mutual Funds, the scheme name shall be the same as the scheme category. Mutual Funds have the option to convert an existing scheme into a Flexi Cap Fund subject to compliance with the requirement for change in fundamental attributes of the scheme.

*For details: [https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-introduction-of-flexi-cap-fund-as-a-new-category-under-equity-schemes\\_48108.html](https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-introduction-of-flexi-cap-fund-as-a-new-category-under-equity-schemes_48108.html)*

- **Norms regarding holding of liquid assets in open ended debt schemes & stress testing of open ended debt schemes (November 6, 2020)**

In order to augment the liquidity risk management framework for all open ended debt schemes, it has been decided that w.e.f. February 01, 2021, all open ended debt schemes (except Overnight Fund, Liquid Fund, Gilt Fund and Gilt Fund with 10 year constant duration) shall hold at least 10% of their net assets in liquid assets. Further, it has also been decided to mandate all open ended debt schemes (except overnight scheme) to conduct stress testing w.e.f. December 01, 2020. AMC shall stipulate the guidelines to carry out stress testing for the aforementioned debt schemes.

*For details : [https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-norms-regarding-holding-of-liquid-assets-in-open-ended-debt-schemes-and-stress-testing-of-open-ended-debt-schemes\\_48110.html](https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-norms-regarding-holding-of-liquid-assets-in-open-ended-debt-schemes-and-stress-testing-of-open-ended-debt-schemes_48110.html)*

- **Outsourcing of activities, Business Continuity Plan (BCP) and Disaster Recovery (DR) and Cyber Security and Cyber Resilience framework - Limited Purpose Clearing Corporation (LPCC) (November 6, 2020)**

SEBI in its Board meeting held on September 29, 2020 permitted setting up of a LPCC for clearing and settling repo transactions in debt securities. For the purpose of execution of repo in corporate bonds, LPCC shall enter into necessary agreements with the Stock Exchanges where it proposes to offer clearing / settlement of repo transactions and their associated Clearing Corporations for continuity purposes.

The framework governing the outsourcing activities by the LPCC and the framework governing arrangements with existing Clearing Corporations for the purpose of BCP and DR, and Cyber Security are annexed to the circular.

*For details : [https://www.sebi.gov.in/legal/circulars/nov-2020/outsourcing-of-activities-business-continuity-plan-and-disaster-recovery-and-cyber-security-and-cyber-resilience-framework-limited-purpose-clearing-corporation\\_48106.html](https://www.sebi.gov.in/legal/circulars/nov-2020/outsourcing-of-activities-business-continuity-plan-and-disaster-recovery-and-cyber-security-and-cyber-resilience-framework-limited-purpose-clearing-corporation_48106.html)*

## ❖ **Intellectual Property Rights (IPR) Laws**

- **The Patents (2nd Amendment) Rules, 2020 (November 04, 2020)**

The Ministry of Commerce and Industry has notified the Patents (2nd Amendment) Rules, 2020 to further amend the Patents Rules, 2003. The Amendment is brought under Rule 7 which prescribes the fees for grant of patents in which sub-rule 3 has been substituted to provide that in case an application processed by a natural person or startup or small entity is fully or partly transferred to a person other than a natural person, startup or small entity, the difference, if any, in the scale of fees between the fees charged from the natural person, startup or small entity and the fees chargeable from the person other than a natural person, startup or small entity in the same matter, shall be paid by the new applicant with the request for transfer.

*For details:*

*[http://www.ipindia.nic.in/writereaddata/Portal/Images/pdf/Patents\\_2nd\\_Amendment\\_Rules\\_2020.pdf](http://www.ipindia.nic.in/writereaddata/Portal/Images/pdf/Patents_2nd_Amendment_Rules_2020.pdf)*

## ❖ **Arbitration Law**

### **NITI Aayog seeks public feedback on its Draft for Discussion on Designing the Future of Dispute Resolution: The ODR Policy Plan for India (November 09, 2020)**

#### *Highlights of the Discussion Paper:*

- Online Dispute Resolution (ODR) refers to the use of technology to resolve disputes. However, merely integration of technology in the dispute resolution processes (such as virtual scheduling) is not ODR. The use of technology to actually resolve disputes (such as video conferencing and digital circulation of files) can constitute as ODR. ODR is also more than just e-ADR for it can include the resolution of disputes through automated dispute resolution or AI/ML tools.
- ODR holds immense potential to improve the dispute resolution experience through intelligent decision support systems, smart negotiation tools, automated resolution, and machine learning. ODR also offer multi-door dispute resolution through tailored processes for specific parties and their dispute
- The benefits to ODR include: Dispute resolution is cost effective, it is more convenient and faster, since travel is not required, it increases the accessibility to justice and strives for a better dispute resolution experience by focusing on arriving at mutually beneficial agreements, it removes unconscious bias and t can also improve India's ranking on 'enforcement of contracts' in the Ease of Doing Business rankings.
- India, though in its nascent stages of ODR development, has shown early promise in ODR integration at all three levels - the Judiciary, Government and the private sector. Some of the early developments have come to be of great value during the unexpected COVID-19 induced lockdown where the functioning of brick and mortar courts and dispute resolution bodies came to be severely restricted.
- Draft for Discussion on Designing the Future of Dispute Resolution: The ODR Policy Plan for India covers such as origin, benefits, international experience, present status in India, challenges faced in adoption of ODR and recommendation for implementation of ODR in phased manner.
- The NITI Aayog Expert Committee on ODR recommends for Increase access to digital infrastructure, Increase digital literacy, Reduce digital divide, Up-skill neutrals and train future professionals, Strengthen paralegal services within communities, Encourage growth in the private sector and also recommends for Strengthen existing legislative framework on Alternative Disputes Resolution processes in India.
- ODR has immense potential to provide a new dimension to the dispute resolution ecosystem in India. ODR can help in promotion of legal health in the country, the avoidance of disputes, the containment of disputes and the resolution of those disputes that knock on the doors of the judiciary. To extract all of the benefits that ODR has to offer, there is a need for a deep percolation of technology in the society and the expanding use of Internet and digital tools.

*For details :*

<https://niti.gov.in/sites/default/files/2020-10/Draft-ODR-Report-NITI-Aayog-Committee.pdf>

## ❖ **Banking and Insurance**

- **Indian economy is expected to be on normal by next fiscal: SBI Chairman Dinesh Khara (November 07, 2020)**

Dinesh Khara, Chairman, State Bank of India on Saturday said that the Indian economy is expected to be on normal course by early next fiscal even while the investment demand from corporate might take some time to pick up.

For details:

<https://www.thehindubusinessline.com/money-and-banking/indian-economy-is-expected-to-be-on-normal-course-by-early-next-fiscal-dinesh-khara/article33047785.ece>

## ❖ **Terminology for today**

### **Rebalancing**

Rebalancing is a standard practice in any portfolio. It is the process of bringing the stocks and bonds back to the desired percentages. In order to rebalance the portfolio one may sell some stocks and reinvest that money in bonds, or invest new money in bonds to bring the portfolio back to the original balance.

## ❖ **Market Watch**

<b>Capital Market</b>	
S & P BSE Sensex	42597.43 (+704.37)
Nifty 50	12461.05 (+197.50)

<b>Reference Rate</b> ( <a href="https://www.fbil.org.in/#/home">https://www.fbil.org.in/#/home</a> )			
<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR / 1 JPY</b>
74.0535	87.5159	97.2026	.7152

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

**ICSI Motto**  
सत्यं वद। धर्मं चर।  
Speak the truth. Abide by the law.

**MISSION**  
"To develop high calibre professionals  
facilitating good corporate governance"

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