

Info Capsule

Wednesday
October 14, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Insolvency**

The Insolvency Regulator, Insolvency and Bankruptcy Board of India (IBBI) has standardised meetings norms of the disciplinary committee (DC) and appellate panel (AP) of Registered Valuers Organisations (RVOs).

For details :

<https://www.taxscan.in/ibbi-issues-meetings-norms-of-disciplinary-committee-and-appellate-panel-of-rvos/79212/>



**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**

SEBI CIRCULAR

- **Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities (October 13, 2020)**

SEBI vide this circular has prescribed the process to be followed by the Debenture Trustee(s) in case of 'Default' by issuers of listed debt securities including seeking consent from the investors for enforcement of security and/or entering into an Inter-Creditor Agreement (ICA). SEBI LODR Regulations defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/standardisation-of-procedure-to-be-followed-by-debenture-trustee-s-in-case-of-default-by-issuers-of-listed-debt-securities_47855.html

SETTLEMENT ORDER (October 13, 2020)

- Mr. Ajoy Chawla, the designated employee of the Titan Company Limited, has settled his case with Rs. 30.44 lakh towards settlement charges to SEBI in a case related to alleged violation of SEBI (Prohibition of Insider Trading) Regulations, 2015. Mr. Ajoy Chawla allegedly traded in the scrip of the company on three trading days and executed contra trades, when the trading window was closed. The contra trades executed by him were in excess of Rs.10 lakhs rupees and he failed to make necessary disclosures for trades executed in excess of Rs.10 lakhs rupees. The settlement order comes after Mr. Ajoy Chawla filed an application with the SEBI proposing to settle the matter without admitting and denying the alleged violation of Insider Trading norms.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/settlement-order-in-respect-of-ajoy-chawla-in-the-matter-of-titan-company-ltd-_47848.html

SEBI IN NEWS

- **Vedanta likely to repay \$2.5 billion with interest after delisting bid fails (October 13, 2020)**

Days after Vedanta Resources' bid to delist its Indian unit failed, billionaire Anil Agarwal's commodities group is likely to repay \$2.5 billion in funds it had raised for the effort. Vedanta will pay back \$1.4 billion it raised via bonds, and \$1.1 billion in bank loans as early as the week ending October 18, reported Bloomberg. Vedanta is also planning to pay a small amount of interest to banks and bondholders.

For details: <https://www.moneycontrol.com/news/business/vedanta-likely-to-repay-2-5-billion-with-interest-after-delisting-flop-5959191.html>

❖ **Banking and Insurance**

- **Submission of returns under Section 31 (read with section 56) of the Banking Regulation Act, 1949 - Extension of time (October 13, 2020)**

The Banking Regulation (Amendment) Act, 2020 has not yet notified for the State Co-operative Banks and Central Co-operative Banks, they are required to furnish three copies of accounts and balance sheet together with auditor's report as returns to the Reserve Bank and the National Bank (NABARD), by September 30, 2020 for the financial year 2019-20. However, taking into account the difficulties being faced by the State Co-operative Banks and Central Co-operative Banks due to the ongoing COVID-19 pandemic, the Reserve Bank hereby extends the period for furnishing of the returns under Section 31 of the Act for the financial year ended on March 31, 2020 by a further period of three months in terms of the first proviso to the above section. Accordingly, all State Co-operative Banks and Central Co-operative Banks shall ensure submission of the aforesaid returns to the Reserve Bank and NABARD on or before December 31, 2020.

For details : <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11983&Mode=0>

- **Don't impose 15-day waiting period on renewal of Corona Kavach policies: IRDAI to insurers (October 13, 2020)**

As per the guidelines issued by IRDAI, the short-term Corona Kavach or Corona Rakshak policies are issued by insurance companies for three-and-a-half months, six-and-a-half months or nine-and-a-half-months. In a circular, IRDAI further said insurers also have the choice to allow renewal, migration and portability for these COVID specific standard health products — Corona Rakshak Policy, Corona Kavach Policy and Group Corona Kavach policy. 'Corona Kavach' and 'Corona Rakshak' policies of any tenure may be renewed for further terms of three-and-a-half months (3 months), six-and-a-half months (6 months) or nine-and-a-half months (9 months) as per the option exercised by the policyholder. However, renewals, if any, may be done before the expiry of the existing policy contract. "Where policy is renewed, additional waiting period of 15 days shall not be imposed and the coverage shall be continued seamlessly," IRDAI said.

For details : <https://www.financialexpress.com/money/insurance/dont-impose-15-day-waiting-period-on-renewal-of-corona-kavach-policies-irdai-to-insurers/2104777/>

❖ Indirect Taxes

Goods and Services Tax

- **Twenty States allowed to mobilize Rs. 68,825 Crores (October 13, 2020)**

The Department of Expenditure, Ministry of Finance, has granted permission to 20 States to raise an additional amount of Rs. 68,825 crore through open market borrowings. Additional borrowing permission has been granted @ 0.50 % of the Gross State Domestic Product (GSDP) to those States who have opted for Option- 1 out of the two options suggested by the Ministry of Finance to meet the shortfall arising out of GST implementation.

For details : <https://pib.gov.in/PressReleasePage.aspx?PRID=1664054>

Customs

- **ADD on imports of Plain Medium Density Fibre Board – Notification No. 30/2020 Customs (ADD) (October 13, 2020)**

This Notification seeks to amend notification No. 48/2015-Customs (ADD), dated October 21, 2015 to extend the levy of ADD on imports of “Plain Medium Density Fibre Board of thickness 6 mm and above” originating in or exported from China PR, Malaysia, Sri Lanka & Thailand, for a period of three months i.e. upto January 20, 2021.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd30-2020.pdf>

- **Faceless Assessment – Circular No. 45/2020 (October 12, 2020)**

Faceless Assessment - Measures for timely assessment of Bills of Entry and clarification on defacement of physical documents. The Port of Import should monitor clearance of time-sensitive/urgent consignments such as lifesaving drugs, security / defence related consignments etc. imported by Government and its agencies/PSUs etc. so that these are not delayed.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-45-2020.pdf>

❖ Market Watch

Capital Market	
S & P BSE Sensex	40794.74 (+169.23)
Nifty 50	11971.05 (+36.55)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.11 (+0.50%)	86.35 (+0.40%)	95.37 (+0.51%)	0.69 (+0.73%)

❖ Pronouncements

September 25, 2020	Handoo & Handoo Legal Consultants & Anr. (Petitioners) vs. Union of India & Ors. (Respondents)	Delhi High Court
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LLP Settlement Scheme, 2020 benefit cannot be denied to LLP's on the ground that their documents were uploaded pursuant to the order passed by the Court.

Fact of the case

The plea of the Petitioners in the present application is that they have been denied the benefit of the LLP Settlement Scheme-2020 only on the ground that they have uploaded the forms pursuant to the order of Delhi High Court dated December 06, 2018.

The Petitioners alleged that they could not upload the statutory forms required under the LLP Act, 2008 due to a glitch in the system of the Respondent's authority itself. Delhi High court, by its order dated December 06, 2018, had observed that there are a large number of LLPs, which had not filed **Form-3** at the initial stage. Therefore, it may be apposite for the Respondent authority to consider a one-time measure to enable all parties to complete the statutory filings.

In the meanwhile, the Respondents should take steps to enable the Petitioners to upload the pending forms electronically, within a period of two weeks from date of this order, without payment of any additional fees. The question of quantum of additional fee, if any, would be determined at a subsequent stage. Pursuant to the above order, the Petitioners uploaded their forms.

Judgement

Delhi High Court observed that it cannot be a valid ground for denying the benefit of the LLP Settlement Scheme, 2020 to the Petitioners as such denial would be totally arbitrary and unreasonable. The petitioners cannot be put in a position worse than those who never challenged the position prevailing before the announcement of the Scheme, before this Court.

The uploading of the documents was without prejudice to the rights and contentions of either party and was subject to further outcome of these petitions. In view of the above, it is held that the Petitioners are entitled to the benefit of the LLP Settlement Scheme, 2020 and they shall not be denied the same only on the ground that their documents were uploaded pursuant to the order passed by this Court in the present petitions, prior to October 31, 2019.

For details: <https://taxguru.in/wp-content/uploads/2020/10/Handoo-Handoo-Legal->

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

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