

Info Capsule

Wednesday
September 16, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Career at ICSI (September 16, 2020)

The ICSI is inviting applications for the posts of Joint Director (HR), Joint Director and Chauffer at its Headquarters at New Delhi/ Noida

For details:

<https://www.icsi.edu/media/career/careercommon.htm>

❖ Direct Tax

Notification No. 74/2020 [Dated September 11, 2020]

The Central Government hereby notifies the Infrastructure Debt Fund namely, the 'L&T Infra Debt Fund (PAN : AACCL4493R)' for the purposes of the clause (47) of section 10 of the Income-tax Act, 1961 for the assessment year 2018-2019 and subsequent years subject to the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_74_2020.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 & Capital Market

SEBI CIRCULARS

• Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment – Clarification (September 15, 2020)

With regard to levy of penalty for non-collection of “other margins” (other than VaR and ELM) on or before T+2 days from clients by Trading Member (TM) / Clearing Member (CM), SEBI, inter-alia, has clarified that if client fails to make pay-in by T+2 working days and TM / CM do not collect other margins from the client by T+2 working days, the same shall also result in levy of penalty as applicable. If pay-in (both funds and securities) is made by T+2 working days, the other margins would be deemed to have been collected and penalty for short / non collection of other margins shall not arise.

For details : https://www.sebi.gov.in/legal/circulars/sep-2020/collection-and-reporting-of-margins-by-trading-member-tm-clearing-member-cm-in-cash-segment-clarification_47557.html

SEBI ADJUDICATION ORDER (September 15, 2020)

• SEBI, in the matter of Genus Prime Infra Ltd., imposed a total penalty of Rs.14 lakh on three entities, payable jointly and severally, for the violation of Regulation 8(2) of SAST Regulations 1997 and Regulations 3(2), 30(1) and 30(2) of SAST Regulations, 2011 on failure to make an open offer and admittedly made delayed disclosures to the company.

For details : https://www.sebi.gov.in/enforcement/orders/sep2020/adjudication-order-in-the-matter-of-genus-prime-infra-limited_47556.html

EXPARTE-AD-INTERIM ORDER CUM SHOW CAUSE NOTICE (September 15, 2020)

• It was alleged that Kalyani and Kalyani Developers (India) Ltd. (KKDIL) made public issues of equity shares and Cumulative Redeemable Preference Shares (CRPS) without following the issue and listing norms, the same is detrimental to the interest of investors. In view of the same, SEBI issued an immediate ex parte ad-interim Order cum Show Cause Notice to KKDIL directed to cease to mobilize fresh funds from investors through the offer and allotment of any securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly.

For details : https://www.sebi.gov.in/enforcement/orders/sep-2020/ad-interim-ex-parte-order-cum-show-cause-notice-in-the-matter-of-kalyani-and-kalyani-developers-india-ltd_47558.html

SEBI IN NEWS

• Covid-19 hits IPO filings, only 11 offer documents filed with SEBI this year (September 16, 2020)

The pandemic has been a dampener for IPO aspirants. So far this year, only 11 companies have filed their draft offer document with the SEBI, down from 27 last year. Market players said the lockdown and social-distancing norms had made it difficult for companies, investment bankers, and legal firms to do the paperwork for an IPO filing.

For details : https://www.business-standard.com/article/markets/covid-19-hits-ipo-filings-only-11-offer-documents-filed-with-sebi-this-yr-120091501618_1.html

❖ **Banking and Insurance**

- **NBFCs ride out pandemic thanks to record Govt. stimulus steps even while virus ravages economy (September 16, 2020)**

The health of India's shadow banks remained resilient in August, suggesting that record stimulus steps by the nation's authorities are helping the crisis-hit sector ride out the pandemic. Premiums on non-bank lenders' bonds narrowed to a two-year low, according to an index of AAA rated five-year notes. Three other indicators compiled by Bloomberg, covering areas including liquidity and share performance, stayed steady from the previous month, with two at levels indicating strength.

For details : <https://www.financialexpress.com/industry/banking-finance/nbfc-ride-out-pandemic-thanks-to-record-govt-stimulus-steps-even-while-virus-ravages-economy/2084404/>

- **24x7 OTP-based cash withdrawal at SBI ATMs (September 16, 2020)**

State Bank of India (SBI) has decided to introduce OTP-based cash withdrawal for Rs. 10,000 and above throughout the day across all SBI ATMs in the country with effect from September 18, 2020.

For details : <https://indianexpress.com/article/business/banking-and-finance/24x7-otp-based-cash-withdrawal-at-sbi-atms-6597550/>

❖ **Business and Economic News**

- **Government presents first batch of supplementary demand for grants [September 16, 2020]**

The Centre has presented to Parliament its first batch of supplementary demand for financial grants to be made to various departments. The demand is to spend an additional Rs 2.36 trillion in FY21.

For details : https://www.business-standard.com/article/economy-policy/govt-presents-first-batch-of-supplementary-demand-for-grants-an-explainer-120091600060_1.html

- **Government working on strong Legal Frameworks for Data Handling (September 15, 2020)**

India is working on strong frameworks on both personal data and non-personal data to ensure that there is a comprehensive and cutting-edge legal framework for dealing with data and data handling

For details: <https://www.thehindubusinessline.com/economy/government-working-on-strong-legal-frameworks-for-data-handling/article32614030.ece>

- **Parliament passes bill to give statutory status to Aviation Regulators (September 15, 2020)**

The Aircraft (Amendment) Bill, 2020, which provides for statutory backing to the DGCA, the Bureau of Civil Aviation Security (BCAS) and the Aircraft Accident Investigation Bureau (AAIB), was passed by a voice vote in Rajya Sabha

For details : <https://www.financialexpress.com/industry/parliament-passes-bill-to-give-statutory-status-to-aviation-regulators/2083674/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	39302.85 (+258.50)
Nifty 50	11604.55 (+82.75)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.34 (+0.06%)	86.98 (+0.19%)	94.22 (+0.49%)	0.69 (+0.34%)

❖ **Pronouncement**

September 14,2020	<i>QVC Exports Pvt. Ltd. & Ors. (Appellants) vs. Cosmic Ferro Alloys Ltd. & Ors. (Respondents)</i>	NCLAT
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Fact of the case:

1st Appellant and 2nd Respondent jointly entered into a Consortium Agreement and agreed to form a partnership to submit a Resolution Plan to take over 1st Respondent Company. Resolution plan was submitted and approved by the COC as well as ratified by NCLT, Kolkata under Section 31 of IBC, 2016. As per mutual understanding nominee directors of both the parties were appointed. Appellant argued that due to several disputes which arose between both the parties, special notice was issued for removal of nominee director of Appellant from directorship and the resolution was passed in an EGM, thereby ousting the appellant from the consortium without giving a fair opportunity to give representation. Further, it was stated that in a quasi-partnership company or closely held company, a nominee director of the two partners cannot be removed, that too without any reason.

Respondents argued that there is no bar for removal of nominee of minority shareholder under the Companies Act, 2013. Further, in spite of giving notice, no shareholders from 1st to 3rd appellant were present and thus they did not raise any objection to passing of the resolution for removal of nominee director and the removal has already been approved by the Registrar of Companies.

Judgement:

NCLAT held that as proper notice was issued to convene EGM and the same was received by the appellants including the nominee director but they did not make any representation and the EGM voted for removal of nominee director with majority. Thus, there is no illegality in this process and dismissed the appeal.

For details: <https://nclat.nic.in/Useradmin/upload/11762069665f5f36392657e.pdf>

Prepared by Directorate of Academics

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

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इदमेव मेव प्रवृत्तेः श्रेष्ठे इषु मेव इव।

MISSION
"To develop high calibre professionals
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