

Info Capsule

Wednesday
August 17, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ Latest @ ICSI

Webinar on Structured Digital Database under SEBI (PIT) Regulations on August 18, 2022

The SEBI introduced the provisions relating to Structured Digital Database under the SEBI (Prohibition of Insider Trading) Regulations, 2015 to build mechanism to help investigate Insider Trading. Both BSE & NSE have issued Circulars requiring all Listed Entities to submit Compliance Certificate on SDD on quarterly basis. In view of the same, the Institute is organizing webinar to create awareness about the compliance requirements relating to SDD.

Webinar Link -
<https://ecpl.live/icsi/18082022/>

For details:

https://www.icsi.edu/media/webmodules/16082022_webinarflyer.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 Markets

SEBI News

NSE tracks insider trading rules compliance (August 15, 2022)

About a week ago, the country's largest bourse, National Stock Exchange (NSE) shared a compliance certificate format with many companies which have to give specific declaration on whether they have control over who can access unpublished price sensitive information (UPSI), if information shared are time-stamped to keep a track on who is receiving it and when, and whether there is chance of anyone tampering with the records. A move is on to scrutinise whether large and actively traded companies are falling in line with the rules to curb insider trading, one of the scourges of the Indian stock market.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/nse-tracks-insider-trading-rules-compliance/articleshow/93566101.cms>

❖ Terminology for today

Modified Dietz Method

The modified Dietz method is a way to measure a portfolio's historical return that is based on a weighted calculation of its cash flow. The method takes into account the timing of cash flows and assumes that there is a constant rate of return over a specified period of time.

❖ **Banking and Insurance**

RBI clears way for IDBI Bank EoI in September (August 17, 2022)

With the regulators willing to provide the required flexibility in norms, the government is set to float an Expression of Interest (EoI) for the strategic disinvestment of IDBI Bank next month. The Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) are understood to have agreed to provide a flexible glide path to reduce the promoter's (acquirer's) stake in the bank once the transaction is over. To make the deal attractive, the Government had urged the RBI to give the potential buyer some leeway in complying with the regulatory norms meant for private banks, including a time-bound reduction in promoter holding. The buyer may get 10-15 years to reduce stake in the bank to the desired level of 26%.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-clears-way-for-idbi-bank-eoi-in-september/2632451/>

❖ **Technology and Automation**

What is a Virtual Mobile Number? Benefits, usage and other details (August 16, 2022)

As people work away from their offices, landlines aren't enough to communicate with colleagues and customers. A virtual mobile number is one tool helps businesses communicate in a seamless and cost-effective manner. A virtual phone number is a telephone number that is not tied to a physical location or a specific device. Virtual mobile numbers do not rely on a service provider or phone company, but work through the internet. These are largely used by businesses to connect with their customers and run their accounts on platforms like WhatsApp.

For details:

https://www.business-standard.com/article/technology/what-is-a-virtual-mobile-number-benefits-usage-and-other-details-122081600957_1.html

❖ **Market Watch**

Stock Market Indices as on 17.08.2022

S & P BSE Sensex	60260.13 (+417.92)
Nifty 50	17944.25 (+119.00)

Foreign Exchange Rates as on 16.08.2022

(<https://www.geojit.com/currency-futures>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
79.44	81.06	96.01	0.60

❖ **Pronouncements****Case Snippet**

05/08/2022	<i>Kotak Mahindra Bank Limited (Appellant) Vs. Kew Precision Parts Private Limited & Ors (Respondent)</i>	<i>Supreme Court of India Civil Appeal No. 2176 of 2020</i>
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Issue : Acknowledgement under the Limitation Act and promise under the Contract Act & Applicability of the Limitation Act, 1963 to Section 7 of the Insolvency and Bankruptcy Code.

Observation: The Hon'ble Supreme Court of India vide its order observed that there is a distinction between acknowledgment under Section 18 of the Limitation Act, 1963 and a promise within the meaning of Section 25 of the Contract Act. Both promise and acknowledgment in writing, signed by a party or its agent authorised in that behalf, have the effect of creating a fresh starting of limitation. The difference is that an acknowledgment under Section 18 of the Limitation Act has to be made within the period of limitation and need not be accompanied by any promise to pay. If an acknowledgment shows existence of jural relationship, it may extend limitation even though there may be a denial to pay. On the other hand, Section 25(3) is only attracted when there is an express promise to pay a debt that is time barred or any part thereof. Promise to pay can be inferred on scrutinising the document. Only the promise should be clear and unconditional.

Section 5 of the Limitation Act, 1963 does not speak of any application. The section enables the court to admit an application or appeal if the applicant or the appellant, as the case may be, satisfies the court that he had sufficient cause for not making the application and/or preferring the appeal, within the time prescribed. A Court/Tribunal may exercise its discretion to condone delay, even in the absence of a formal application.

As per Section 18 of Limitation Act, an acknowledgement of present subsisting liability, made in writing in respect of any right claimed by the opposite party and signed by the party against whom the right is claimed, has the effect of commencing a fresh period of limitation from the date on which the acknowledgement is signed. Such acknowledgement need not be accompanied by a promise to pay expressly or even by implication. However, the acknowledgement must be made before the relevant period of limitation has expired.

It is well settled that even entries in books of accounts and/or balance sheets of a Corporate Debtor would amount to an acknowledgment under Section 18 of the Limitation Act.

For details:

<https://ibbi.gov.in/uploads/order/2bd7908ae442cd1dc967f4693c74ed68.pdf>

❖ **Business and Economic News**

- **What will it take to make India a developed nation in the next 25 years? (August 16, 2022)**

75 years ago, Shri Jawaharlal Nehru had addressed the nation from here as he laid the foundation of a new nation. And on August 15, 2022 when Prime Minister Shri Narendra Modi addressed the country from the ramparts of the Red Fort, he laid the foundation of the next 25 years. First, to move forward with bigger resolves and the resolve of a developed India. Second, to erase all traces of servitude. Third, to be proud of India's legacy. Fourth, to focus on India's unity, which is its strength. And fifth, to fulfil the duties of citizens with honesty.

For details:

https://www.business-standard.com/podcast/current-affairs/what-will-it-take-to-make-india-a-developed-nation-in-the-next-25-years-122081600058_1.html

- **Government plans 'leniency plus' regime for strict probe into cartels: Report (August 16, 2022)**

The Central Government is planning to introduce a “leniency plus” programme in a bid to encourage companies, under investigation for one cartel, to report other cartels that are not known to the competition regulator. The “leniency plus” programme — a new cartel detecting tool — under the recent Competition (Amendment) Bill 2022 was introduced in the Lok Sabha during the recently concluded Monsoon Session.

For details:

https://www.business-standard.com/article/companies/govt-plans-lenency-plus-regime-for-strict-probe-into-cartels-report-122081600556_1.html

Prepared by Directorate of Academics

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