

Info Capsule

Wednesday
November 18, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **CSEET - Candidate User Manual for Remote Proctored Examination (November 18, 2020)**

The ICSI has published Candidate User Manual for CSEET-Remote Proctored Examination.

For details:

https://www.icsi.edu/media/webmodules/Candidate_User_Manual_For_Remote_Proctored_Examination.pdf

https://www.icsi.edu/media/webmodules/SEB_Download_Process.pdf

- **Video Demo on SPICe+ (November 18, 2020)**

To aid the professionals and companies in the process of incorporation, the MCA has released a dedicated video to provide full-fledged demonstration regarding the process of filing the form SPICe+ which is an integrated web form for Incorporation.

The ICSI, in line with its goal of working in tandem with the MCA, has hosted the said video on its website to aid the professionals in undertaking the said activity with greater ease and comfort.

For details:

<https://www.icsi.edu/video-spice/>



**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 to participate in IOSCO's World Investor Week campaign**

SEBI, as lead organisation, is participating in World Investor Week (WIW) from Nov 23, 2020 to Nov 29, 2020 launched by the International Organisation of Securities Commissions (IOSCO). WIW is a week-long, global campaign promoted by IOSCO to raise awareness about the importance of investor education and protection and highlight the various initiatives of securities regulators in these two critical areas. During the week, Financial Education and Investor Awareness activities and initiatives through digital modes will be held.

<http://www.worldinvestorweek.org/country.php?country=India>

<https://investor.sebi.gov.in/>

SEBI Circulars

- **Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT (November 17, 2020)**

Clause 4.1 of Annexure I of SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2019/143 dated November 27, 2019 providing guidelines for preferential issue and institutional placement of units by listed InvITs has been modified. The amended clause provides that "Preferential issue of units shall not be made to any person who has sold or transferred any units of the issuer during the six months preceding the relevant date. Explanation: Where any person belonging to sponsor(s) has sold/transferred their units of the issuer during the six months preceding the relevant date, the sponsor(s) shall be ineligible for allotment of units on preferential basis."

For details:

https://www.sebi.gov.in/legal/circulars/nov-2020/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-invite_48182.html

SEBI Adjudicating Order

- **In the matter of inspection of Inventure Growth and Securities Limited (November 17, 2020)**

SEBI imposed a penalty of Rs. 10 lakh on Inventure Growth and Securities Limited, Stock Broker/Noticee, for not been compliant to SEBI circulars as stock broker on various instances. It was alleged that the Noticee failed to settle accounts of active clients within time as per their preferences and also did not settle inactive clients' account. Further, it did not send accurate retention statements to clients. Noticee was under a statutory obligation to abide by the provisions of the SEBI Act, Rules and Regulations and Circulars / directions issued thereunder, which it failed to do during the inspection period.

For details:

https://www.sebi.gov.in/enforcement/orders/nov-2020/adjudication-order-in-the-matter-of-inspection-of-inventure-growth-and-securities-limited-_48181.html

SEBI in News

- **Karvy case: NSE says funds, securities worth Rs 2,300 crore settled (November 17, 2020)**

National Stock Exchange (NSE) said funds and securities worth Rs 2300 crore belonging to about 2.35 lakh investors of Karvy Stock Broking have been settled so far. Investors with fund balances upto Rs 30,000 due from Karvy Stock Broking have been settled, the exchange said. Adding that disciplinary proceedings against Karvy Stock broking is underway.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/karvy-case-nse-says-funds-securities-worth-rs-2300-crore-settled/articleshow/79266302.cms>

- **SEBI to revamp grievance redressal mechanism at stock exchanges (November 17, 2020)**

SEBI has proposed to revamp the grievance redressal mechanism at stock exchanges for clients of defaulting trading members. The move is aimed at enhancing the effectiveness of investor protection fund (IPF) of stock exchanges. SEBI has asked stock exchanges to conduct an annual review to ascertain the adequacy of the IPF corpus of the exchange.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-revamp-grievance-redressal-mechanism-at-stock-exchanges/articleshow/79267606.cms>

- **SEBI directs BSE to review IPF corpus annually (November 17, 2020)**

To enhance the effectiveness of investor protection fund (IPF), SEBI has directed BSE to conduct annual review to ascertain the adequacy of the IPF corpus and disclose the corpus as well as policy on processing of investors' claim on its website.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-directs-bse-to-review-ipf-corpus-annually/articleshow/79265935.cms>

❖ **Ministry of Finance**

• **International Financial Services Centres Authority (Procedure for Authority Meetings) Regulations, 2020 (November 12, 2020)**

In exercise of the powers conferred by section 8 of the International Financial Services Centres Authority Act, 2019 (50 of 2019), the International Financial Services Centres Authority issued the International Financial Services Centres Authority (Procedure for Authority Meetings) Regulations, 2020.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223114.pdf>

❖ **Banking and Insurance**

• **The Lakshmi Vilas Bank Ltd.: RBI announces Draft Scheme of Amalgamation (November 17, 2020)**

The Reserve Bank of India has today placed in public domain a draft scheme of amalgamation of The Lakshmi Vilas Bank Ltd. (LVB) with DBS Bank India Ltd. (DBIL), a banking company incorporated in India under Companies Act, 2013, and having its Registered Office at New Delhi.

The Reserve Bank invites suggestions and objections, if any, from members, depositors and other creditors of transferor bank (LVB) and transferee bank (DBIL), on the draft scheme, which may be sent to the address mentioned in the "Notice". The draft scheme has also been sent to transferor bank and transferee bank for their suggestions and objections. The suggestions and objections will be received by Reserve Bank up to 5.00 PM on November 20, 2020. The Reserve Bank will take a final view thereafter.

It may be recalled that the Lakshmi Vilas Bank Ltd. has been placed under an order of moratorium on November 17, 2020 which will be effective upto December 16, 2020.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50674

❖ **Terminology for Today**

Collateralized Debt Obligation

CDOs are a kind of asset-backed security, holding a pool of collateralized debt (such as mortgages and auto loans) that may be subdivided into various tranches (representing different levels of risk). These securities were born in the 1980s, but became famous (or, more to the point, infamous) during the housing bust of 2007.

❖ *Insolvency and Bankruptcy*

- **The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2016 (November 13, 2020)**

The Insolvency and Bankruptcy Code, 2016 (Code) enables a financial creditor (FC), among others, to initiate corporate insolvency resolution process (CIRP) against a corporate debtor (CD). The FC, along with the application, is required to furnish “record of the default recorded with the information utility or such other record or evidence of default as may be specified”. In exercise of this power, the IBBI amended the Regulations to specify two ‘other record or evidence of default’, namely, (a) certified copy of entries in the relevant account in the bankers’ book, and (b) order of a court or tribunal that has adjudicated upon the non-payment of a debt.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223110.pdf>

❖ *Market Watch*

| Capital Market | |
|------------------|--------------------|
| S & P BSE Sensex | 44180.05 (+227.34) |
| Nifty 50 | 12938.25 (+64.05) |

| Reference Rate (https://www.fbil.org.in/#/home) | | | |
|--|-------------|-------------|-------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 74.5087 | 88.3261 | 98.4623 | .7129 |

Prepared by Directorate of Academics

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

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