

Info Capsule

Thursday
November 19, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ICSI

• Press Release

The ICSI signed a MOU with Sikkim Manipal University (SMU), Sikkim & ICFAI University, Sikkim (November 18, 2020)

The ICSI signed a Memorandum of Understanding with Sikkim Manipal University and ICFAI University, Sikkim under the ICSI Academic Collaborations Initiative. The objective of the MOU is to bring together the efforts of the institutes for imparting knowledge and honing the skills of students, academicians and professionals of these Institutes.

For details:

https://www.icsi.edu/media/webmodules/PR_ICSI_signs_MOU_AcademicCollaboration_SMU&ICFAIUniversity.pdf

• COVID 19-Regulatory Updates-Vol. 5 (November 18, 2020)

The ICSI has published COVID19-Regulatory Updates Series, Vol. 5 comprising of relief measures undertaken by various authorities in view of the ongoing pandemic.

For details:

https://www.icsi.edu/media/webmodules/COVID_19_REGULATORY_UPDATES_VOL_5.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 and Capital Markets

NSE Circulars

- **SEBI advised National Stock Exchange of India Limited to increase Investor Protection Fund size (November 18, 2020)**

In light of the recent Trading Member defaults, SEBI has advised the National Stock Exchange of India Limited (NSE) to increase the Investor Protection Fund (IPF) size to Rs.1,500 crores. Further, in order to enhance the effectiveness of the IPF and to improve the investor experience while making claims against defaulting Trading Members, SEBI has advised NSE to operationalize a detailed Standard Operating Procedure (SOP) and the policy for evaluating investor claims from IPF, given as Annexure A and Annexure B respectively, in this circular.

For details:

<https://www1.nseindia.com/circulars/circular.htm>

SEBI in News

- **SEBI moves Supreme Court against Sahara India Real Estate Corporation, Sahara Housing Investment Corporation (November 19, 2020)**

The SEBI has moved the Supreme Court against Sahara India Real Estate Corporation and Sahara Housing Investment Corporation over Rs 62,602 crore collected by these companies from the public. The market regulator wants the contemnors to be taken into custody if they fail to deposit the amount in the SEBI-Sahara refund account.

For details:

<https://www.moneycontrol.com/news/business/sebi-moves-supreme-court-against-sahara-india-real-estate-corporation-sahara-housing-investment-corporation-6134051.html>

❖ ***Insolvency and Bankruptcy***

- **Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2020 (November 13, 2020)**

To facilitate quick closure of the liquidation process, the IBBI amended the Regulations to enable the liquidator to assign or transfer a 'not readily realisable asset' to any person in consultation with the stakeholders' consultation committee. For this purpose, "not readily realisable asset" means any asset included in the liquidation estate which could not be sold through available options and includes contingent or disputed assets, and assets underlying proceedings for preferential, undervalued, extortionate credit and fraudulent transactions.

There may be a creditor who may not be willing to wait for completion of liquidation process for realisation of his debt. The IBBI amended the Regulations to enable a creditor to assign or transfer the debt due to it to any other person in accordance with the laws for the time being in force dealing with such assignment or transfer.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223107.pdf>

❖ ***Labour Laws***

- **Services in the Transport (other than railways) for the Carriage of Passengers or Goods, by Land or Water, to be a Public Utility Service (November 12, 2020)**

Central Government vide its Notification S.O. 4067(E) dated 12th November, 2020 and in exercise of the powers conferred by sub-clause (vi) of clause (n) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947), declares the services in the Transport (other than railways) for the carriage of passengers or goods, by land or water, to be a public utility service for the purposes of the said Act for a period of six months with effect from the 27th November, 2020.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223155.pdf>

❖ **Banking and Insurance**

• **Foreign Exchange Management Act, 1999 (FEMA)-Compounding of Contraventions under FEMA, 1999 (November 17, 2020)**

The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 i.e. Notification No. FEMA.395/2019-RB, both notified on October 17, 2019, by Government of India and Reserve Bank of India respectively have since superseded the earlier Notification No. FEMA 20(R)/2017-RB. Accordingly, the compounding powers stand delegated to the Regional Offices/ Sub Offices of the Reserve Bank to compound the following contraventions:

Foreign Exchange Management (Non –Debt Instruments) Rules, 2019 dated October 17, 2019 :

- Rule 2(k) read with Rule 5 deals with Equity Instruments and Permission for making investment by a person resident outside India
- Rule 21 deals with Pricing guidelines
- Paragraph 3 (b) of Schedule I (Issue of shares without approval of RBI or Government, wherever required)
- Rule 4 (Receiving investment in India from non-resident or taking on record transfer of shares by Investee Company)
- Rule 9(4) and Rule 13(3) deals with Transfer of equity instruments of an Indian company by or to a person resident outside India and Transfer of equity instruments by NRI or OCI.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11995&Mode=0>

• **Reserve Bank of India hereby specifies the net owned fund of twenty crore rupees for housing finance institution (November 18, 2020)**

In exercise of the powers conferred by Section 29A(1)(b) of National Housing Bank Act, 1987, the Reserve Bank of India hereby specifies the net owned fund of twenty crore rupees for housing finance institution which is a company to commence housing finance as its principal business or carry on the business of housing finance as its principal business.

Provided that a housing finance institution which is a company holding a Certificate of Registration issued under Section 29A of National Housing Bank Act, 1987 and having net owned fund less than twenty crore rupees, may continue to carry on the business of housing finance institution, if such company achieves net owned fund of fifteen crore rupees before April 01, 2022 and twenty crore rupees before April 01, 2023.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223172.pdf>

- **Guaranteed insurance plans find favour amidst falling interest rates (November 18, 2020)**

The life insurance industry has seen muted growth for the first-year premiums in the first six months of the current financial year. However, guaranteed plans offered by life insurance companies have seen strong response from the policyholders. According to experts, volatile equity markets during the start of the financial year and declining interest rates on bank fixed deposits (FDs) are few reasons why policyholders have been attracted to guaranteed plans.

For details:

<https://www.financialexpress.com/money/insurance/guaranteed-insurance-plans-find-favour-amidst-falling-interest-rates/2130377/>

❖ Terminology for Today

- **Debt Trap**

A debt trap is a situation in which a borrower is led into a cycle of re-borrowing, or rolling over, their loan payments because they are unable to afford the scheduled payments on the principal of a loan. These traps are usually caused by high-interest rates and short terms.

❖ Market Watch

Stock Market Indices as on 19.11.2020

S & P BSE Sensex	43599.96 (-580.09)
Nifty 50	12771.70 (-166.55)

Foreign Exchange Rates as on 18.11.2020

(<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.3629	98.6087	88.2807	.7149

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

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

ICSII Motto
सत्यं वद। धर्मं चर।
इष्टार्थं कुरु। कुरु। कुरु।

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

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [p](#) | Online Helpdesk : <http://support.icsi.edu>