

Info Capsule

Wednesday
October 21, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

CII 11th Financial Markets Summit (October 21, 2020)

The Registration is open for CII 11th Financial Markets Summit scheduled on October 21 & October 22, 2020.

For details:

<https://www.icsi.edu/media/webmodules/ICSI%20CII%20flyer.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)

❖ Indirect Tax

Customs

- **Contactless delivery of International courier consignments - Circular No. 47/2020 - (October 20, 2020)**

The OTP based validation will be an alternative means of obtaining proof of delivery to the existing procedure of taking physical signatures. Thus, the authorized couriers will obtain the proof of delivery either by taking the physical signatures or through OTP based validation. The Authorised courier shall maintain the data relating to generation and validation of OTP as a proof of delivery for a period of 5 years. The full audit trail of the process shall be made available to the officer of customs upon request.

For details :

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-47-2020.pdf;jsessionid=D6A98515B3AA2760693AC82315229A5F>

- **Rate of Customs duty on import of Polybutadiene Rubber - Notification No. 37/2020- Customs - (October 20, 2020)**

This notification seeks to further amend notification no. 152/2009 dated December 31, 2009, regarding the rate of duty of customs on imports of "Polybutadiene Rubber" originating in Korea RP and imported under the India-Korea Comprehensive Economic Partnership Agreement.

For details :

<https://www.cbic.gov.in/resources/htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs37-2020.pdf;jsessionid=98E29ADA7D4DF154C4E24E27FECE981F>

❖ **Securities Law**

• **Adjudicating Orders on Non Redressal of Investor Grievances (October 20, 2020)**

SEBI imposed a penalty of Rs. 1 lakh each on Awas Ayogen Vittnigam Ltd. and Maa Leafin and Capital Ltd. for failing to comply with the direction of obtaining SCORES authentication and also redressing of investor grievances and there by repeatedly violated the directions given by SEBI through SEBI Circulars.

For details: https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-awas-ayogenvittnigam-limited-in-the-matter-of-non-redressal-of-investor-grievances_47906.html

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-maa-leafin-and-capital-ltd-in-the-matter-of-non-redressal-of-investor-grievances_47905.html

SEBI in News

• **SEBI pulls up Prabhat Dairy for non-cooperation with auditor; asks it to deposit Rs. 1,292 crore (October 20, 2020)**

SEBI has asked Prabhat Dairy to deposit Rs 1,292 crore into an interest bearing escrow account until a dispute is resolved about paying shareholders the proceeds from the sale of an operating unit. Last year in January, Prabhat Dairy had sold its subsidiary, Sunfresh Agro, to Tirumala Milk Products, a wholly owned unit of French dairy multinational Groupe Lactalis, for Rs 1,227 crore. SEBI had appointed Grant Thornton Bharat LLP as the forensic auditor in July to ascertain facts and circumstances in relation to financials of the firm with respect to its financial statements for the financial years ending March 31, 2019, and March 31, 2020.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-pulls-up-prabhat-dairy-for-non-cooperation-with-auditor-asks-it-to-deposit-rs-1292-cr/articleshow/78774584.cms>

• **Functioning of the SEBI will be hampered if exercise of its every power is preceded by mandatory personal hearing, whether the regulation provides for it or not: Bombay High Court (October 06, 2020)**

The Bombay High Court Bench of Justices Nitin Jamdar and Milind Jadhav concluded that there is no duty on the SEBI while considering an exemption application under Regulation 29 of the SEBI (Share Based Employee Benefits) Regulations, 2014, to give a personal hearing to the applicant. The Petitioner, JK Paper Limited, requested the Respondent-SEBI for a personal hearing regarding exemption application filed by it under a regulation governing employee stock options. The Board of SEBI refused the request for personal hearing and permitted additional written submissions. Petitioner has filed this petition to direct the Board to grant a personal hearing. **(JK Paper v. SEBI)**.

For details: https://www.legaleraonline.com/pdf_upload/pdf_upload-293054.pdf

❖ **Banking & Insurance**

- **HC restrains Canara Bank from taking coercive action against a MSME (October 20, 2020)**

The Delhi High Court has passed an interim order restraining Canara Bank from taking any coercive action against an MSME whose accounts were declared as Non- Performing Assets (NPA) last year. The case of the petitioner MSME is that RBI issued guidelines dated January 01, 2019 relating to restructuring of MSME Accounts that had become stressed, thereby allowing one-time restructuring of existing loans. Vide communication dated December 31, 2019, a Sanction Memorandum was executed by Canara Bank whereby it restructured the credit facilities extended to the petitioner.

For details :

<https://www.livemint.com/industry/banking/hc-restrains-canara-bank-from-taking-coercive-action-against-a-msme-11603203982610.html>

- **IRDAI sets up panel to examine need for standard cyber liability insurance product (October 20, 2020)**

The general liability policies do not cover cyber risks, and cyber insurance policies currently available are highly customised for clients in a new and quickly growing market. “Hence, it is felt that a basic standard product structure is required to provide insurance cover for individuals and establishments to manage their cyber risks,” said IRDAI while announcing setting up a working group to examine the need for standard cyber liability insurance product.

For details:

<https://www.financialexpress.com/money/insurance/irdai-sets-up-panel-to-examine-need-for-standard-cyber-liability-insurance-product/2110178/>

- **Exposure Draft on IRDAI (Insurance Advertisements and Disclosure) Regulations (October 20, 2020)**

IRDAI said that evolutionary trends in advertisements in the last 20 years coupled with technological developments which have changed the medium of advertising thereby necessitating the review of existing (Insurance Advertisements and Disclosure) Regulations.

The following are some of the key changes proposed to the current Regulations:

- a. Modifying definition of advertisements and rationalisation of certain other definitions.
- b. The term ‘Insurance Intermediary’ has been aligned with the provisions of the IRDA Act, 1999 as amended in 2015.

- c. Various types of advertisements such as Institutional advertisements, Invitation to inquire, Invitation to contract and Joint Sales advertisements have been incorporated in the new regulations.
- d. Suitable provisions have been introduced for governing publication of Ranking and Awards by Insurance companies.
- e. Changes have been made keeping in mind the recent development in the technology, new and emerging medium or mode used for circulation of Insurance advertisements and option to unsubscribe.
- f. Scope of the term 'Misleading Advertisement' has been enlarged.
- g. Onus for enforcing compliance on advertisement endorsed by third parties has been cast on Insurance companies for compliance.
- h. Provisions have been incorporated to allow advertisements in different languages, without change in content from that of the base version, with the filing of a certificate.

The comments/suggestions on the draft regulations may be mailed to Mr. Gopakumar E.S, Deputy General Manager (Life) at es.gopakumar@irdai.gov.in with a copy to life@irdai.gov.in latest by November 10, 2020.

For details :

https://www.irdai.gov.in/ADMINCMS/cms/frmGeneral_Layout.aspx?page=PageNo4268

❖ Market Watch

Capital Market	
S & P BSE Sensex	40707.31 (+162.94)
Nifty 50	11937.65 (+40.85)

Reference Rate <small>(https://www.fbil.org.in/#/home)</small>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.33	86.34	94.95	.695

Prepared by Directorate of Academics

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

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