

Info Capsule

Thursday
October 22, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ MCA Initiative

Extension of Special Measures under the Companies Act, 2013 and Limited Liability Partnership Act, 2008 in view of COVID- 19 outbreak (October 20, 2020)

MCA in continuation to General Circular No. 11/2020 dated March 24, 2020, has clarified that non-compliance of minimum residency in India for a period of at least 182 days in a year, by at least one director in every company, under Section 149 of the Companies Act, 2013 shall not be treated as non-compliance for the financial year 2020-2021 also.

For details:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.36_20102020.pdf



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Law

Press Release

- **SEBI Chairman's Speech at CII'S 11th Financial Markets Summit 2020 (October 21, 2020)**

"Challenging to achieve Government's target of investment in Infrastructure unless bond market is adequately developed", SEBI Chairman, Ajay Tyagi

While addressing the inaugural session at the 11th edition of the CII Financial Markets Summit on October 21, 2020, the SEBI Chairman mentioned that "It would be a challenging task to achieve the Government's target of achieving Rs. 100 lakh crore investment in Infrastructure by 2024-25 unless the bond market is adequately developed." He iterated that SEBI's approach towards reforms has been progressive, open-minded and forward looking. The SEBI Chairman also mentioned that the recovery in capital markets after the initial hit by the pandemic has been broad-based.

For details:

https://www.sebi.gov.in/media/speeches/oct-2020/chairman-s-speech-dated-october-21-2020-at-cii-s-11th-financial-markets-summit-2020_47918.html

<https://www.cii.in/PressreleasesDetail.aspx?enc=piGkOD0k4pYNasapPLSEZyMPm+b17JdPmF9/bf3brJ4=>

SEBI Orders

- **In the matter of Narayan Securities Limited (October 21, 2020)**

SEBI imposed a penalty of Rs. 50 lakh on Narayan Securities Limited, a SEBI registered Stock Broker, for alleged violation of the most basic principles of broker functioning as laid out in the SEBI circulars which require that client securities and funds be maintained separately

so that they are not jeopardized due to broker's own trading. Hence, it is established that the broker violated the provisions of SEBI Circulars and Clauses A (2) and (5) of the code of conduct prescribed for Stock Brokers as specified under Schedule II of Regulation 9 of Brokers Regulations.

For details :

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-narayan-securities-limited-and-galaxy-infraprojects-and-developers-private-limited-in-the-matter-of-narayan-securities-limited_47929.html

- **In the matter of Kirloskar Industries Ltd. (KIL) (October 20, 2020)**

SEBI imposed a penalty of Rs. 5 lakh on KIL for violation of the provisions of Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA. As per Clause 36 of the Equity Listing Agreement, KIL was required to immediately inform the stock exchanges of the decision to invest an amount of upto Rs. 275 crores in buying shares of Kirloskar Brothers Limited (KBL). It is a matter of fact that KIL has not disclosed the same to the stock exchanges immediately after the decision was taken.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/order-in-the-matter-of-kirloskar-industries-ltd-_47915.html

- **In the matter of Atul Kirloskar, Rahul Kirloskar and others**

SEBI slaps Rs 15 crore fine on some Kirloskar Promoters, officials (October 22, 2020)

SEBI vide its order dated October 20, 2020 has imposed a hefty penalty of nearly Rs 15 crore on Kirloskar Industries, certain promoters of Kirloskar Group including Atul Kirloskar, Rahul Kirloskar and five others for violating securities laws. The promoters will also have to disgorge Rs 16.6 crore of gains in insider trading, in addition to the penalty. The case pertains to selling shares of Kirloskar Brothers (KBL) by these entities to another listed company Kirloskar Industries (KIL) in 2010, ahead of the financial results. Rahul, Atul Kirloskar and five others, have also been barred from buying, selling or dealing in shares for six months.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-penalises-kirloskar-brothers-ltd-promoters-others-for-fraud/articleshow/78792163.cms>

❖ ***NCLT/NCLAT News***

- **MCA further extended the tenure of office of NCLT Acting President Shri BSV Prakash Kumar, Member (Judicial) (October 21, 2020)**

In continuation of MCA notifications S.O. No.72(E) dated January 03, 2020, S.O. 1393(E) dated April 29, 2020, S.O. 2377(E) dated July 17, 2020, S.O. 2796(E) dated August 18, 2020 and S.O. 3266 (E) dated September 24, 2020 the term of office of Shri Bethala Shantha Vijaya Prakash Kumar, Member (Judicial), as Acting President, NCLT is further extended for a period of one month with effect from October 5, 2020 or until a regular President is appointed or until further orders, whichever is earliest.

For details:

<http://egazette.nic.in/WriteReadData/2020/222608.pdf>

❖ ***Indirect Tax***

Customs updates

- **Exemption to scrips issued under the RoSL scheme - Notification No. 38/2020 - Customs (October 21, 2020)**

The Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts goods, when imported into India against a duty credit scrip issued by the Regional Authority under the Scheme for Rebate of State Levies on export of garments and made-ups (the RoSL scheme) from the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 and the whole of additional duty leviable thereon under sub sections (1), (3) and (5) of section 3 of the said Customs Tariff Act.

For details :

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs38-2020.pdf>

❖ **Banking & Insurance**

• **Option of repaying the funds availed under Targeted Long-Term Repo Operations (TLTRO and TLTRO 2.0) before maturity (October 21, 2020)**

RBI has announced in Statement of Developmental and Regulatory Policies on October 09, 2020, that the banks which had availed of funds under TLTRO and TLTRO 2.0 will be provided an option of reversing these transactions before maturity.

For details :

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50548

• **New age health insurance plans to increase fitness levels amongst consumers (October 21, 2020)**

The IRDAI has directed all life, general and specialised health insurers to include features and benefits in their health insurance plans that drive policyholders towards maintaining a good health. As per the circular, the insurers have been suggested by the IRDAI to offer reward points to customers who follow and meet the set criteria of wellness and preventive features. Though, it is mandatory for the insurers to only offer such features after filing or incorporated them in the product in line with the product filing guidelines.

For details :

<https://www.financialexpress.com/money/insurance/new-age-health-insurance-plans-to-increase-fitness-levels-amongst-consumers/2110559/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	40558.49 (-148.82)
Nifty 50	11896.45 (-41.02)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.45	87.05	95.38	.697

Prepared by Directorate of Academics

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

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