

Info Capsule

Wednesday
November 25, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• Declaration of Result of Company Secretary Executive Entrance Test (CSEET) – November, 2020

The Result of CS Executive Entrance Test (CSEET) held on November 21 and 22, 2020 would be declared on Thursday, **November 26, 2020 at 2:00 P.M.**

For details:

https://www.icsi.edu/media/webmodules/Declaration_Result_CSEET_Nov2020.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)

❖ *Insolvency and Bankruptcy*

Invitation of Public Comments: Discussion Paper - Voluntary Liquidation Process (November 24, 2020)

The Insolvency and Bankruptcy Board of India (IBBI) issued the discussion paper on Voluntary Liquidation Process to discuss on the following points:

- (a) Should there be a provision for withdrawal from the voluntary liquidation process, if such withdrawal is approved by special resolution of members, partners or contributories, as the case may be, in Voluntary Liquidation Regulations? If so, whether such withdrawal is to be approved by AA.
- (b) Should the withdrawal from voluntary liquidation process be permitted both prior to and post initiation of process of sale of assets of CP by the liquidator. If so, what conditions should be imposed to ensure proper checks and balances on such withdrawal?

The Board accordingly solicits public comments on: points mentioned (a) & (b) above; and any specific regulations in the draft Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Third Amendment) Regulations, 2020.

Comments may be submitted electronically by 15th December, 2020.

For details:

<https://www.ibbi.gov.in/uploads/whatsnew/2020-11-24-220856-5s2gc-9b3239ee87bc1d4a25681366e53b0f14.pdf>

❖ **Securities Laws & Capital Markets**

SEBI Orders

Confirmatory order in the matter of Karvy Stock Broking Limited (November 24, 2020)

SEBI has confirmed the directions issued vide ex parte ad interim order dated November 22, 2019 against Karvy Stock Broking Limited ("KSBL") where KSBL is prohibited from taking new clients in respect of its stock broking activities and provided that transfer of funds/securities made by the KSBL to its clients subsequent to SEBI order dated November 22, 2019, would not absolve KSBL or its directors from violations of the provisions of the securities laws, as have been found in the forensic audit report received in the matter. Further, it is clarified that confirmation of the directions issued in the ex parte order by the present order shall not in any way come in the way of transfer of the funds/securities, to be made by the KSBL to its clients. KSBL shall not alienate any of its assets, except with the prior permission of NSE till the settlement of claims of the investors or under direction or order by any Court or Tribunal.

For details:

https://www.sebi.gov.in/enforcement/orders/nov-2020/confirmatory-order-in-the-matter-of-m-s-karvy-stock-broking-limited_48253.html

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

❖ **Indirect Tax**

• **Goods and Services Tax**

DGGI Rohtak arrests one more in Hisar for issuing fake invoices of input tax credit (November 24, 2020)

The Directorate General of GST Intelligence (DGGI), Regional Unit, Rohtak falling under Gurugram Zonal Unit has arrested one more person on November 23, 2020. He was the proprietor of one of the firms and was found involved in issuing fake invoices having taxable value of Rs. 27.99 Crore and was also found involved in handling cash of other such firms issuing fake invoices to pass ITC fraudulently. The accused himself committed the offence as well as abetted the commission of offence by issuing fake invoices from various firms without actual movement of goods having taxable value of Rs. 75 Crore (approx.) and fraudulently passing ITC over Rs. 13 Crore. He passed on such fraudulent ITC to some of the buyers who availed of the same to discharge their GST liability against their outward supplies with an ulterior motive to defraud the Government exchequer.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1675359>

❖ ***Business and Economic News***

Inviting comments of stakeholders on The Draft Environmental and Social Assessment (ESSA) under a World Bank funded programme - “Raising and Accelerating MSME Productivity” (RAMP) (November 24, 2020)

“Raising and Accelerating MSME Productivity” (RAMP) is a USD 500 million operation to support the Government of India on Raising the Productivity and Competitiveness of MSMEs in India with a counterpart funding of 500 million USD from Government of India. RAMP is an intervention designed on the basis of the UK Sinha led Reserve Bank of India’s Expert Committee report (June 2019), which recommended various regulatory, financial and implementation reforms as well as firm level access reforms to provide targeted interventions to MSMEs across recognized challenge areas. In addition to building the Ministry of MSME’s capacity at the national level, the RAMP program will seek to scale up implementation capacity and firm coverage in the states of Gujarat, Maharashtra, Punjab, Rajasthan and Tamil Nadu. The programme is now in an advanced stage of formulation and finalization. As part of the requirements of World Bank funding, a mandatory Environment and Social Assessment (ESSA) is required to be done to verify compliances to Environmental and Social standards by the last mile enterprises covered under the various programmes of the Ministry.

The draft ESSA accordingly prepared to invite comments and suggestions from all stakeholders. Any comments may kindly be given on or before November 30, 2020 to the following email: rajeshwari[dot]kr[at]gov[dot]in

For details:

<https://msme.gov.in/whatsnew/inviting-comments-stakeholders-draftenvironmental-and-social-assessment-essa-under-world>

❖ ***Terminology for Today***

Green Shoe Option

A green shoe option is an over-allotment option. In the context of an initial public offering (IPO), it is a provision in an underwriting agreement that grants the underwriter the right to sell investors more shares than initially planned by the issuer if the demand for a security issue proves higher than expected.

