



**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)

INFO CAPSULE

Series - 4

(76-100)



Motto

सत्यं वद। धर्मं चर।

“इष्टवर्गं तेन ज्ञातं ब्रह्मदेवो ज्ञातं तेन”

From the President

***"True knowledge exists in knowing that you know nothing."
- Socrates***

If we are to reminisce our life journey till date, we would be surprised to realise that all of it is nothing but an aggregation, a summation of moments of learning. From holding a spoon to holding Board Meetings, each experience of learning would have been enthralling and exhilarating in its own unique way. And going by that trend, it would not be an exaggeration to say that even after years of such moments, there is still a lot that remains to be learnt and a good great amount of knowledge to be attained.

And while we may be considering all of this in terms of new areas, given the dynamic nature of our own area of activity and expertise, and the ever changing scenarios, it is equally significant that we keep ourselves at the helm of knowledge and understanding.

For the copious amounts of information circulated across us, courtesy the technological advancements, it is practically impossible to keep a tab on each such incident making it quite a possibility of missing out on the more important ones. Understanding this mind boggling spread of knowledge and information, the Institute of Company Secretaries rolled out this unique initiative of Info Capsule, a one stop shop of the latest developments taking place in various spheres of legal, economic and business ecosystem.

In more ways than one, the Info Capsule acts as a knowledge pathfinder in guiding the readers to make them well conversant with pertinent news / information that may be of immense assistance for their academic and professional growth. It fills my heart with joy unspeakable to witness the completion of a century of the Info Capsule. It can be said without an iota of doubt that Info Capsule is an epitome of impeccable and inimitable source of knowledge and I extol the endeavours of the Directorate of Academics in bringing out the Info Capsule flawlessly, thereby enhancing the reservoir of wisdom.

Happy Reading!!!

CS Ashish Garg

President

The Institute of Company Secretaries of India

Info Capsule

Wednesday
October 14, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Insolvency**

The Insolvency Regulator, Insolvency and Bankruptcy Board of India (IBBI) has standardised meetings norms of the disciplinary committee (DC) and appellate panel (AP) of Registered Valuers Organisations (RVOs).

For details :

<https://www.taxscan.in/ibbi-issues-meetings-norms-of-disciplinary-committee-and-appellate-panel-of-rvos/79212/>



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❖ **Securities Law**

SEBI CIRCULAR

- **Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities (October 13, 2020)**

SEBI vide this circular has prescribed the process to be followed by the Debenture Trustee(s) in case of 'Default' by issuers of listed debt securities including seeking consent from the investors for enforcement of security and/or entering into an Inter-Creditor Agreement (ICA). SEBI LODR Regulations defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/standardisation-of-procedure-to-be-followed-by-debenture-trustee-s-in-case-of-default-by-issuers-of-listed-debt-securities_47855.html

SETTLEMENT ORDER (October 13, 2020)

- Mr. Ajay Chawla, the designated employee of the Titan Company Limited, has settled his case with Rs. 30.44 lakh towards settlement charges to SEBI in a case related to alleged violation of SEBI (Prohibition of Insider Trading) Regulations, 2015. Mr. Ajay Chawla allegedly traded in the scrip of the company on three trading days and executed contra trades, when the trading window was closed. The contra trades executed by him were in excess of Rs.10 lakhs rupees and he failed to make necessary disclosures for trades executed in excess of Rs.10 lakhs rupees. The settlement order comes after Mr. Ajay Chawla filed an application with the SEBI proposing to settle the matter without admitting and denying the alleged violation of Insider Trading norms.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/settlement-order-in-respect-of-ajay-chawla-in-the-matter-of-titan-company-ltd-_47848.html

SEBI IN NEWS

- **Vedanta likely to repay \$2.5 billion with interest after delisting bid fails (October 13, 2020)**

Days after Vedanta Resources' bid to delist its Indian unit failed, billionaire Anil Agarwal's commodities group is likely to repay \$2.5 billion in funds it had raised for the effort. Vedanta will pay back \$1.4 billion it raised via bonds, and \$1.1 billion in bank loans as early as the week ending October 18, reported Bloomberg. Vedanta is also planning to pay a small amount of interest to banks and bondholders.

For details: <https://www.moneycontrol.com/news/business/vedanta-likely-to-repay-2-5-billion-with-interest-after-delisting-flop-5959191.html>

❖ **Banking and Insurance**

- **Submission of returns under Section 31 (read with section 56) of the Banking Regulation Act, 1949 - Extension of time (October 13, 2020)**

The Banking Regulation (Amendment) Act, 2020 has not yet notified for the State Co-operative Banks and Central Co-operative Banks, they are required to furnish three copies of accounts and balance sheet together with auditor's report as returns to the Reserve Bank and the National Bank (NABARD), by September 30, 2020 for the financial year 2019-20. However, taking into account the difficulties being faced by the State Co-operative Banks and Central Co-operative Banks due to the ongoing COVID-19 pandemic, the Reserve Bank hereby extends the period for furnishing of the returns under Section 31 of the Act for the financial year ended on March 31, 2020 by a further period of three months in terms of the first proviso to the above section. Accordingly, all State Co-operative Banks and Central Co-operative Banks shall ensure submission of the aforesaid returns to the Reserve Bank and NABARD on or before December 31, 2020.

For details : <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11983&Mode=0>

- **Don't impose 15-day waiting period on renewal of Corona Kavach policies: IRDAI to insurers (October 13, 2020)**

As per the guidelines issued by IRDAI, the short-term Corona Kavach or Corona Rakshak policies are issued by insurance companies for three-and-a-half months, six-and-a-half months or nine-and-a-half-months. In a circular, IRDAI further said insurers also have the choice to allow renewal, migration and portability for these COVID specific standard health products — Corona Rakshak Policy, Corona Kavach Policy and Group Corona Kavach policy. 'Corona Kavach' and 'Corona Rakshak' policies of any tenure may be renewed for further terms of three-and-a-half months (3 months), six-and-a-half months (6 months) or nine-and-a-half months (9 months) as per the option exercised by the policyholder. However, renewals, if any, may be done before the expiry of the existing policy contract. "Where policy is renewed, additional waiting period of 15 days shall not be imposed and the coverage shall be continued seamlessly," IRDAI said.

For details : <https://www.financialexpress.com/money/insurance/dont-impose-15-day-waiting-period-on-renewal-of-corona-kavach-policies-irdai-to-insurers/2104777/>

❖ Indirect Taxes

Goods and Services Tax

- **Twenty States allowed to mobilize Rs. 68,825 Crores (October 13, 2020)**

The Department of Expenditure, Ministry of Finance, has granted permission to 20 States to raise an additional amount of Rs. 68,825 crore through open market borrowings. Additional borrowing permission has been granted @ 0.50 % of the Gross State Domestic Product (GSDP) to those States who have opted for Option- 1 out of the two options suggested by the Ministry of Finance to meet the shortfall arising out of GST implementation.

For details : <https://pib.gov.in/PressReleasePage.aspx?PRID=1664054>

Customs

- **ADD on imports of Plain Medium Density Fibre Board – Notification No. 30/2020 Customs (ADD) (October 13, 2020)**

This Notification seeks to amend notification No. 48/2015-Customs (ADD), dated October 21, 2015 to extend the levy of ADD on imports of “Plain Medium Density Fibre Board of thickness 6 mm and above” originating in or exported from China PR, Malaysia, Sri Lanka & Thailand, for a period of three months i.e. upto January 20, 2021.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd30-2020.pdf>

- **Faceless Assessment – Circular No. 45/2020 (October 12, 2020)**

Faceless Assessment - Measures for timely assessment of Bills of Entry and clarification on defacement of physical documents. The Port of Import should monitor clearance of time-sensitive/urgent consignments such as lifesaving drugs, security / defence related consignments etc. imported by Government and its agencies/PSUs etc. so that these are not delayed.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-45-2020.pdf>

❖ Market Watch

Capital Market	
S & P BSE Sensex	40794.74 (+169.23)
Nifty 50	11971.05 (+36.55)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
73.11 (+0.50%)	86.35 (+0.40%)	95.37 (+0.51%)	0.69 (+0.73%)

❖ **Pronouncements**

September 25, 2020	Handoo & Handoo Legal Consultants & Anr. (Petitioners) vs. Union of India & Ors. (Respondents)	Delhi High Court
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LLP Settlement Scheme, 2020 benefit cannot be denied to LLP's on the ground that their documents were uploaded pursuant to the order passed by the Court.

Fact of the case

The plea of the Petitioners in the present application is that they have been denied the benefit of the LLP Settlement Scheme-2020 only on the ground that they have uploaded the forms pursuant to the order of Delhi High Court dated December 06, 2018.

The Petitioners alleged that they could not upload the statutory forms required under the LLP Act, 2008 due to a glitch in the system of the Respondent's authority itself. Delhi High court, by its order dated December 06, 2018, had observed that there are a large number of LLPs, which had not filed **Form-3** at the initial stage. Therefore, it may be apposite for the Respondent authority to consider a one-time measure to enable all parties to complete the statutory filings.

In the meanwhile, the Respondents should take steps to enable the Petitioners to upload the pending forms electronically, within a period of two weeks from date of this order, without payment of any additional fees. The question of quantum of additional fee, if any, would be determined at a subsequent stage. Pursuant to the above order, the Petitioners uploaded their forms.

Judgement

Delhi High Court observed that it cannot be a valid ground for denying the benefit of the LLP Settlement Scheme, 2020 to the Petitioners as such denial would be totally arbitrary and unreasonable. The petitioners cannot be put in a position worse than those who never challenged the position prevailing before the announcement of the Scheme, before this Court.

The uploading of the documents was without prejudice to the rights and contentions of either party and was subject to further outcome of these petitions. In view of the above, it is held that the Petitioners are entitled to the benefit of the LLP Settlement Scheme, 2020 and they shall not be denied the same only on the ground that their documents were uploaded pursuant to the order passed by this Court in the present petitions, prior to October 31, 2019.

For details: <https://taxguru.in/wp-content/uploads/2020/10/Handoo-Handoo-Legal->

Prepared by Directorate of Academics

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

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Info Capsule

Thursday
October 15, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Judicial Pronouncement

GSP Power System (P) Ltd. (Appellant) vs. Commissioner of GST Department of Trade and Taxes & Anr. (Respondent), Delhi High Court, October 05, 2020

High Court Allows to file revised returns for the financial year 2017-18 under DVAT

Facts of the case:

This writ petition had been filed challenging the rejection by respondent authorities of Appellant's request for correction of the return filed for first quarter of Year 2017-18 and refusal to give statutory forms under Central Sales Tax (Delhi) Rules. Appellant further seeks a direction to the respondent authorities to allow the Appellant's revision of returns for the year 2017-18 as per the provisions of DVAT Act and Rules.

Judgment:

High Court said that, no useful purpose would be served by keeping the petition pending. Consequently, the Court directs the respondent to allow the amendment sought by the Appellant in its return of first Quarter for the Financial Year 2017-18.

For details:

<http://164.100.69.66/jsearch/>



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❖ Securities Law

• SEBI ADJUDICATION ORDERS (October 14, 2020)

SEBI has provided a centralized web portal viz. SCORES wherein unresolved grievances pertaining to securities market are registered. It is observed that the Osian Industries Limited failed to redress the investor grievances which were pending on the date of initiation of the instant proceedings within the time period stipulated under the SEBI Circulars. Thus, SEBI imposed a penalty of Rs. 6 lakh for alleged violation of the non-compliance to SEBI circulars dated August 13, 2012 and April 17, 2013.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-osian-industries-limited_47864.html

SEBI PRESS RELEASE

• SEBI caution to Investors against unsolicited investment tips (October 14, 2020)

It has come to the notice of the SEBI that unsolicited messages containing stock tips/ investment advice with respect to listed companies are increasingly being circulated through bulk SMS, websites and social media platforms like WhatsApp, Telegram, etc. The circulation of such misleading messages is not only detrimental to the interest of the investors but also adversely affects the integrity of the securities market. SEBI has cautioned the investors and general public to not to rely on such unsolicited stock tips / investment advice circulated through bulk SMS, websites and social media platforms. Investors are further advised to exercise appropriate due diligence before dealing in the securities market.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2020/caution-to-investors-against-unsolicited-investment-tips_47862.html

SEBI IN NEWS

• Extension of last date for empanelment of Securities Market Trainers (SMARTs)

SEBI invites applications from eligible persons to be empanelled as Securities Market Trainers (SMARTs) to conduct Investor Awareness Programs. Details regarding selection criteria, application form etc. are available on the website of SEBI and NISM. **Last date for submission of application has now been extended to November 6, 2020.**

For details: <https://investor.sebi.gov.in/join-us/markets.html>

❖ Business and Economic News

• Supreme Court welcomes relief on interest but wants it to be speeded up (October 15, 2020)

The Supreme Court said it was a “welcome move” on the Centre's part to waive compound interest on instalment of loans up to Rs. 2 crore payable during the six-month moratorium period of March 1 to August 31 but frowned upon the over one-month time it sought to implement the decision.

For details:

<https://timesofindia.indiatimes.com/business/india-business/sc-welcomes-relief-on-interest-but-wants-it-to-be-speeded-up/articleshow/78670926.cms>

• IMF recommends three policy priorities to overcome Covid-19 crisis (October 14, 2020)

The IMF proposed three policy priorities, including continuing with essential measures to protect lives and livelihoods, building a more resilient and inclusive economy, and dealing with debt, to overcome the COVID-19 crisis and build a brighter future.

For details:

https://www.business-standard.com/article/economy-policy/imf-recommends-three-policy-priorities-to-overcome-covid-19-crisis-120101401278_1.html

❖ Market Watch

Capital Market	
S & P BSE Sensex	39728.41 (-1066.33)
Nifty 50	11680.35 (-290.70)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.26 (+0.21%)	86.24 (-0.13%)	95.24 (-0.13%)	0.69 (+0.18%)

❖ **Banking and Insurance**

• **RBI releases 'Quarterly BSR-1: Outstanding Credit of Scheduled Commercial Banks for June 2020' (October 14, 2020)**

The Reserve Bank released its web publication entitled 'Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), June 2020' on its Database on Indian Economy (DBIE) portal. It captures various characteristics of bank credit such as occupation/activity and organisational sector of the borrower, type of account, and interest rates. Data covering 1,25,686 branches of 90 SCBs (excluding Regional Rural Banks) are presented for bank groups, population groups and states.

For details : https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50510

• **Loan restructuring applies to all credit substitutes: RBI (October 15, 2020)**

The Reserve Bank of India (RBI) has clarified that the loan resolution framework can be invoked for investment exposures that are credit substitutes like corporate bonds and commercial papers. "The resolution framework may be invoked for resolution of all exposures of lending institutions to eligible borrowers, including investment exposures," the RBI said in a clarification on resolution framework for Covid-related stress. However, the resolution framework is without prejudice to all applicable guidelines issued by the relevant financial sector regulators and other departments of the RBI in respect of any particular exposure.

For details :

<https://indianexpress.com/article/business/banking-and-finance/loan-restructuring-applies-to-all-credit-substitutes-rbi-6726525/>

• **IRDAI allows renewal, portability of Covid-specific products (October 15, 2020)**

The IRDAI has allowed renewability, portability and migration of standard Covid-specific products — Corona Kavach and Corona Rakshak. Market participants say this move will bring in more clarity and help policyholders get the specific coverage for the novel coronavirus.

For details :

<https://www.financialexpress.com/money/insurance/irdai-allows-renewal-portability-of-covid-specific-products/2105689/>

Prepared by Directorate of Academics

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Friday
October 16, 2020

President : CS Ashish Garg

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❖ Business and Economic News

LTC Cash Voucher Scheme Calculation and Benefits: Here is all you need to know (October 15, 2020)

The Covid-19 pandemic has created many practical difficulties for all sets of people, and claiming LTC is one of the difficulties being faced by the salaried class. Like many other people, a number of Central government employees are not in a position to avail LTC as traveling within the country is practically difficult in the current Block of 2018-2021. As per the income tax provisions, Leave Travel Concession (LTC) benefit is required to be availed by the employees within a block of 4 years. The current block for the same is 2018-2021, i.e January 1, 2018 to December 31, 2020.

For details:

<https://www.financialexpress.com/money/income-tax/ltc-cash-voucher-scheme-calculation-and-benefits-here-is-all-you-need-to-know/2106348/>



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❖ Securities Law

PUBLIC NOTICE

- **Last date for investors/applicants with claims upto Rs.7,000/- for making good the deficiencies in their claims, if any (October 15, 2020)**

In the matter of PACL Ltd., the Justice (Retd.) R.M. Lodha Committee vide Press Release provided an opportunity to all investors/applicants with claims upto Rs. 7,000/- whose claim applications were found deficient, to make good deficiencies as may be applicable to their claims, so as to enable their claims to be processed. The last date for accepting such rectified application is October 31, 2020. Investors/applicants with claims upto Rs.7,000/- whose claim applications were found deficient, are again asked to expedite and rectify the deficiencies, if any, in their applications before **October 31, 2020**.

For details: https://www.sebi.gov.in/media/public-notices/oct-2020/public-notice-last-date-for-investors-applicants-with-claims-upto-rs-7-000-for-making-good-the-deficiencies-in-their-claims-if-any-_47870.html

SEBI IN NEWS

- **SEBI to auction Ravi Kiran Realty's properties next month (October 15, 2020)**

SEBI said it will auction properties of Ravi Kiran Realty India Ltd. and its promoters next month to recover investors' money. The company had raised funds by issuing Redeemable Preference Shares (RPS) to 1,176 people without complying with the public issue norms. Under the norms, the firm is required to list its securities on the recognised bourse as the shares were issued to more than 50 persons. It was also required to file a prospectus, among other things, which it failed to do.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-auction-ravi-kiran-realtys-properties-next-month/articleshow/78682052.cms>

- **AMFI denies making proposal to SEBI to launch new benchmark index (October 15, 2020)**

The Association of Mutual Funds in India (AMFI), denied reports that suggested that it had requested market regulator SEBI for the launch of a new index. In a media release, AMFI said: "Referring to a speculative report in a section of the media about AMFI /AMCs proposing to SEBI to launch a new benchmark index, AMFI has clarified that it has not written to SEBI proposing the launch of new index nor capping any stock in the Index."

For details: <https://www.moneycontrol.com/news/business/markets/amfi-denies-making-proposal-to-sebi-to-launch-new-benchmark-index-5968781.html>

❖ **Indirect Tax**

Goods & Services Tax

- **Special Window to States for meeting the GST Compensation Cess shortfall (October 15, 2020)**

Under Option-I States were to be provided a Special Window of Borrowing of Rs. 1.1 lakh crores, and over and above that, an authorisation for additional Open Market Borrowings of 0.5% of their GSDP. The authorisation for increased OMBs of 0.5% of GSDP has been issued by Ministry of Finance on October 13 and are in relaxation of the reform conditions that were stipulated for eligibility. Additionally, under Option-I, the States are also eligible to carry forward their unutilised borrowing space to the next Financial Year.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1664833>

Customs

- **Testing of outside samples by Revenue Laboratories - Circular No. 46/2020 (October 15, 2020)**

As Revenue Laboratories can deal with the samples related to Drug Controller, FSSAI & Textile Committee, all the customs samples, are preferably to be tested in the Revenue Laboratories only. In case facility to test particular commodity or parameter is not available in the nearest Revenue Laboratory, such cases shall be referred to the nearest government laboratory where such facility is available. CRCL, New Delhi shall also function as Referral Laboratory along with other referral laboratories in Pharma, Textile & Food. Whenever CRCL laboratories are not in a position to carry out a test, they shall make use of nearest CDSCO/FSSAI approved laboratories/Textile Committee.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-46-2020.pdf>

❖ **Banking and Insurance**

• **Odisha-based NBFC faces ₹251-crore fraud (October 16, 2020)**

A ₹251-crore fraud at a small Odisha-based non-banking financial company has put the spotlight back on how "bogus accounts" are used to divert funds for money laundering. Sambandh Finserve Pvt. Ltd, a micro-finance institution, has told a rating agency that it defaulted on its repayments because of a fraud in its books. The company with debt of ₹433 crore is undergoing an internal probe ordered by its board.

For details : <https://www.livemint.com/industry/banking/odisha-based-nbfc-faces-251-crore-fraud-11602813705065.html>

• **Behind Centre's shift, a nudge from Reserve Bank (October 16, 2020)**

To meet the GST shortfall, RBI wanted the central government to borrow, not state governments. The view has been that the Centre can borrow at cheaper rates than states, at least 50 basis points cheaper. The RBI assured the Centre that it will manage the Centre's borrowing in the best possible manner. a senior official told The Indian Express.

For details: <https://indianexpress.com/article/business/banking-and-finance/behind-centres-shift-a-nudge-from-reserve-bank-6748541/>

• **IRDAI asks life insurers to launch Saral Jeevan Bima from January 1 (October 16, 2020)**

The IRDAI has announced guidelines on standard individual term life insurance product — Saral Jeevan Bima. All life insurance companies will mandatorily have to offer the standard product with effect from January 1, 2021. This product is a non-linked, non-participating individual pure risk premium life insurance plan, which provides for payment of sum assured in lump sum to the nominee in case of the policyholder's death during the policy term.

For details: <https://www.financialexpress.com/money/insurance/irdai-asks-life-insurers-to-launch-saral-jeevan-bima-from-january-1/2106686/>

https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4264

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	39982.98 (+254.57)
Nifty 50	11762.45 (+82.10)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.20 (-0.09%)	85.98 (-0.29%)	94.97 (-0.28%)	0.70 (+0.08%)

❖ **Pronouncement**

October 07, 2020	Anup Sushil Dubey (Appellant) vs. National Agriculture Co-operative Marketing Federation of India Ltd. & Ors. (Respondents)	NCLAT
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Fact of the case

NAFED (Operational Creditor) and the Umarai Worldwide Private Limited (Corporate Debtor) entered into a Leave and Licence Agreement for the usage of cold storage facilities on October 01, 2015, for a period of three years. The Agreement provides for the payment of licence fee of Rs. 9,31,000/- payable on the 7th day of every calendar month with an increase of 10% in the monthly licence fee on or after the expiry of 12 months. As per the Agreement, in case of default in payment of any monthly licence fee, the Corporate Debtor would be liable to pay an interest @ 21% p.a. for the delayed period. Respondent stated that the Corporate Debtor defaulted in the payment of monthly rentals from September 2017 onwards together with interest, electricity and water charges.

The main issues which fall for consideration in this Appeal are:

- Whether dues, if any, arising from the 'Leave and Licence Agreement' is construed as an 'Operational Debt'?
- Whether there is any 'Pre-Existing Dispute' prior to the issuance of the Demand Notice?

Judgement

The NCLAT held that the premises in the case on hand is leased out for 'Commercial Purpose', the cold storage owner/NAFED on collection is required to pay 'service tax' which is reflected in the tax invoices and 'Ledger Accounts' which is part of the record filed. Therefore, the NCLAT in accordance with the observations made by the Hon'ble Supreme Court in *Mobilox Innovations Private Limited V/s. Kirusa Software Private Limited (2018)*, and having regard to the facts of this instant case, opined that the subject lease rentals arising out of use and occupation of a cold storage unit which is for Commercial Purpose is an 'Operational Debt' as envisaged under Section 5 (21) of the IBC Code, 2016. Further, the dues claimed by the Respondent in the subject matter and issue, squarely falls within the ambit of the definition of 'Operational Debt' as defined under Section 5 (21) of the IBC Code, 2016. Furthermore, it is held that the communication on record clearly establish the fact that there is a 'Debt due and payable' and there is no 'Pre-Existing Dispute'. Hence, the NCLAT dismissed the present Appeal.

For details: <https://nclat.nic.in/IIseradmin/unload/5487276125f7d8cc994789.pdf>

Prepared by Directorate of Academics

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

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इष्टम् च त्वत्तु। बोद्धेः भवेत्तु।

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Info Capsule

Monday
October 19, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ MCA Initiative

The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020 (October 16, 2020)

The MCA vide its notification dated October 16, 2020 has published the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2020 to further amend the Companies (Prospectus and Allotment of Securities) Rules, 2014. This amendment eased the Private Placement norms for Qualified Institutional Buyers.

With this Amendment in the Companies (Prospectus and Allotment of Securities) Rules, 2014, in rule 14(1), after the third proviso, the following proviso has been inserted namely : **“Provided also that in case of offer or invitation of any securities to qualified institutional buyers, it shall be sufficient if the company passes a previous special resolution only once in a year for all the allotments to such buyers during the year.”**

For details:

<http://egazette.nic.in/WriteReadData/2020/222511.pdf>



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❖ Securities Law

ADJUDICATING ORDERS (October 16, 2020)

SEBI, in the matter of Hasti Finance Ltd., imposed a penalty of Rs. 5 lakh each on Parag Ramesh Kalwankar and Amit Chouhan for deliberately manipulating the price of the scrip and creating a misleading appearance of trading in the scrip to induce innocent investors in the securities market thereby contravening the provisions of Regulations 3 (a), (b), (c), (d), 4 (1), 4 (2) (a), and 4 (2) (e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-parag-ramesh-kalwankar-in-the-matter-of-hasti-finance-ltd-_47885.html

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-amit-chouhan-in-the-matter-of-hasti-finance-ltd-_47886.html

ORDER IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN –

TARGET COMPANY	MINDA INDUSTRIES LIMITED
ACQUIRERS	1. NK MINDA FAMILY INVESTMENT TRUST
	2. SUMAN MINDA FAMILY INVESTMENT TRUST

SEBI granted the exemption to the Proposed Acquirers, viz. NK Minda Family Investment Trust and Suman Minda Family Investment Trust, from complying with the requirements of Regulations 3(2), 4 and 5 of the Takeover Regulations 2011 with respect to the proposed direct and indirect acquisitions in the Target Company, viz. Minda Industries Limited, by way of proposed transactions as mentioned in the application and subject to the conditions as prescribed under the order. **(October 16, 2020)**

For details: https://www.sebi.gov.in/enforcement/orders/oct-2020/order-in-the-matter-of-minda-industries-limited_47888.html

SEBI IN NEWS

- **Cut-off time for equity mutual funds restored to 3pm (October 16, 2020)**

SEBI has decided to restore the cut-off timing for buying and selling of mutual fund units to 3 pm, effective from Monday, October 19. Earlier in April, SEBI had temporarily changed the cut-off timings for buying and redeeming of mutual fund units in view of the disruptions caused by the pandemic.

For details:

<https://economictimes.indiatimes.com/mf/mf-news/cut-off-time-for-equity-mutual-funds-restored-to-3pm/articleshow/78698916.cms>

- **Religare Finvest settles case with SEBI (October 16, 2020)**

Religare Finvest has settled with SEBI a case of alleged violation of takeover as well as prohibition of insider trading norms in the matter of Deccan Chronicle Holdings back in 2012. The company has paid Rs 13.80 lakh as settlement charges. The case relates to alleged violation of SAST (Substantial Acquisition of Shares and Takeovers) or takeover norms and SEBI (Prohibition of Insider Trading) Regulations.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/religare-finvest-settles-case-with-sebi/articleshow/78706089.cms>

❖ **Ministry of Finance**

- **FinMin green signal for Aircraft Lease Financing activities in GIFT City (October 18, 2020)**

Regulatory decks have now largely been cleared for making India a hub for financing aircraft purchases and leasing activities with the Finance Ministry notifying “aircraft lease” as a financial product that could be transacted in Gujarat’s GIFT City, which is the country’s sole International Financial Services Centre (IFSC).

For details :

<https://www.thehindubusinessline.com/economy/logistics/finmin-green-signal-for-aircraft-lease-financing-activities-in-gift-city/article32886522.ece>

❖ **Indirect Tax**

Goods and Services Tax

- **CBIC has extended the Due Date of Form GSTR – 1, GSTR 3B for registered persons having aggregate turnover of up to 1.5 crore rupees and above 1.5 crore rupees - Notification No. 74, 75 & 76/2020– Central Tax (October 15, 2020)**

For details : <https://www.cbic.gov.in/htdocs-cbec/gst/central-tax-notfns-2017>

- **Filing of Annual Return - Notification No. 77/2020– Central Tax (October 15, 2020)**

This notification seeks to make filing of annual return under section 44 (1) of CGST Act for Financial Year 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs. 2 crores and who have not filed the said return before the due date.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-77-central-tax-english-2020.pdf>

- **12th Amendment (2020) to CGST Rules, 2017 - Notification No. 79/2020– Central Tax (October 15, 2020)**

These rules may be called the Central Goods and Services Tax (Twelfth Amendment) Rules, 2020. A registered person who is required to furnish a Nil return under section 39 in FORM GSTR-3B or a Nil details of outward supplies under section 37 in FORM GSTR-1 or a Nil statement in FORM GST CMP-08 for a tax period, any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies or statement through a short messaging service using the registered mobile number and the said return or the details of outward supplies or statement shall be verified by a registered mobile number based One Time Password facility.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-79-central-tax-english-2020.pdf>

Customs

- **On Horizon: Sunset date for increases in Import Tariffs (October 19, 2020)**

India Is likely to introduce a sunset date for higher import tariffs imposed on goods such as mobile phones and televisions to boost local manufacturing. Policymakers are of the view that an end date to tariff measures announced to give a boost to make in India programme is necessary.

For details: https://economictimes.indiatimes.com/news/economy/policy/on-horizon-sunset-date-for-increases-in-import-tariffs/articleshow/78739833.cms?utm_source=ETTopNews&utm_medium=HPTN&utm_campaign=AL1&utm_content=23

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	40431.60 (+448.62)
Nifty 50	11873.05 (+110.60)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.26 (+0.08%)	85.85 (-0.16%)	94.87 (-0.10%)	0.70 (+0.05%)

❖ **Business and Economic News**

- **Single-window clearance expected to start in April with 20 states on board (October 19, 2020)**

The Government's proposal to launch a single-window clearance is seeing traction among foreign investors even before the scheme's launch. At least half a dozen foreign investors are said to be in talks with the government for this mechanism. These investors will get to identify lands or sites for setting up manufacturing units across 20 states.

For details: https://www.business-standard.com/article/economy-policy/single-window-clearance-to-start-in-april-govt-expects-20-states-on-board-120101900023_1.html

- **Digital Media, News Agencies given a year to comply with 26% FDI cap (October 19, 2020)**

26% FDI in digital media: The Company would also have to adhere to certain conditions such as the majority directors on the board of the firm shall be Indian citizens; the Chief Executive Officer shall be an Indian.

For details: <https://www.businesstoday.in/current/economy-politics/digital-media-news-agencies-given-a-year-to-comply-with-26-percent-fdi-cap/story/419257.html>

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❖ Latest @ ICSI

Schedule of Online Doubt Clearing Classes for students appearing in December 2020, Examination (October 19, 2020)

The ICSI has announced the schedule for Online Doubt Clearing classes for the following subjects:

- Fundamentals of Accounting & Auditing [Foundation Programme] - (from October 20, 2020 to October 31, 2020).
- Corporate and Management Accounting [Module II- Executive Programme (N/S)] - (from October 20, 2020 to October 26, 2020).
- Corporate Restructuring, Insolvency, Liquidation & Winding-up [Module II- Professional Programme (N/S)] - (from October 20, 2020 to October 26, 2020).

For details:

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

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

https://www.icsi.edu/media/webmodules/Corporate_Restructuring_Insolvency_Liquidation_&_Winding_up.pdf



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❖ Securities Law

• SEBI Circulars

Utilization of Fund Created out of the Regulatory Fee forgone by SEBI – Additional Guidelines (October 19, 2020)

Due to low participation by Farmers / FPOs in agricultural commodity derivatives market coupled with the challenges posed by the pandemic situation, a sizeable portion of the fund, created out of the regulatory fee so forgone by SEBI, has remained unutilized. Based on the recommendations of Commodity Derivatives Advisory Committee (CDAC), it has been decided to permit the Stock Exchanges to utilize the said fund for the additional activities as provided under this circular. The Stock Exchanges can revise their action plan for utilisation of regulatory fee foregone by SEBI for FY 2020-21 incorporating the above mentioned activities and the revised plan, if any, shall be disseminated on their website.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/utilization-of-fund-created-out-of-the-regulatory-fee-forgone-by-sebi-additional-guidelines_47897.html

• SEBI Press Release

SEBI constitutes 'Market Data Advisory Committee' to step up efforts for 'Data Culture' through 'Data Democratization' in the Indian securities market (October 19, 2020)

SEBI has constituted a Market Data Advisory Committee (MDAC) – a Standing Committee – to, inter-alia, recommend appropriate policy for access to securities market data, identify segment wise data perimeters, data needs and gaps, recommend data privacy and data access regulations applicable to market data, etc. The

Committee chaired by Ms. Madhabi Puri Buch, Whole Time Member, SEBI has CEOs of stock exchanges and depositories, representatives of various stakeholders and senior officials of SEBI as members. MDAC is part of SEBI's initiatives to make shareable data on the Indian securities market, available for researchers, policy makers, general public alike and to enhance the quality of such data.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2020/sebi-steps-up-efforts-for-data-culture-through-data-democratization-in-the-indian-securities-market-constitutes-market-data-advisory-committee-_47898.html

SEBI Notifications

- **Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2020 (October 19, 2020)**

SEBI has notified the SEBI (Alternative Investment Funds) (Amendment) Regulations, 2020 which shall come into force on the date of their publication in the Official Gazette i.e. October 19, 2020. The amendments, inter-alia, provide that the Manager shall be responsible for investment decisions of the Alternative Investment Fund. The Manager may constitute an Investment Committee (by whatever name it may be called), to approve investment decisions of the Alternative Investment Fund, subject to the prescribed conditions under said notification.

For details:

<http://egazette.nic.in/WriteReadData/2020/222560.pdf>

- **Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) (Second Amendment) Regulations, 2020 (October 19, 2020)**

SEBI has notified the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Second Amendment) Regulations, 2020 which shall come into force on the date of their publication in the Official Gazette i.e. October 19, 2020. An explanation has been inserted in regulation 4, which provides that *"For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market."*

For details:

<http://egazette.nic.in/WriteReadData/2020/222561.pdf>

❖ **Banking & Insurance**

- **Transmission lower at weakly-capitalised banks during easing cycle, says RBI report (October 19, 2020)**

Banks with higher capital ratios transmit monetary policy actions more smoothly than banks with lower capital base. Given that the chunk of the banking sector lending pertains to public sector banks and they do not have excess capital, it is difficult for them to extend credit without improving their capital position during the downturn of the current business cycle. Despite the RBI's easing policy since 2014 (except for two intermittent rate hikes in 2018), credit growth has not picked up in the past few years, signalling weakening of bank lending channel of monetary policy transmission.

For details:

<https://www.thehindubusinessline.com/money-and-banking/transmission-lower-at-weakly-capitalised-banks-during-easing-cycle-says-rbi-report/article32893176.ece>

- **High inflation, low interest rates hit household savings (October 19, 2020)**

Millions of households are staring at negative returns from their savings with inflation peaking at more than 7% in September and any further cut in key policy rates is expected to aggravate the situation. This has created an alarming situation for households that are already facing growing financial insecurity as a result of the widespread disruptions caused by the pandemic.

For details :

<https://www.livemint.com/industry/banking/high-inflation-low-interest-rates-hit-household-savings-11603066600819.html>

- **ESIC extends deadline till June 30 next year for workers to avail the unemployment benefit (October 17, 2020)**

The Employees' State Insurance Corporation (ESIC) has extended the deadline by a year till June 30, 2021 for workers to avail the unemployment benefit. The Atal Bimit Vyakti Kalyna Yojna was launched in June 2018 for two years on a pilot basis. Under the scheme, unemployment benefit is paid to the workers covered under ESI Scheme. The benefit under the scheme can now be availed till June 30, 2021.

For details:

<https://www.financialexpress.com/money/insurance/esic-extends-deadline-till-june-30-2021-for-workers-to-avail-the-unemployment-benefit/2107495/>

❖ Business & Economic News

• Business activity resumption nears pre-Covid levels (October 20, 2020)

Economic activity in India has returned almost to pre-Covid levels, suggests an index that tracks the economy's recovery from the pandemic's impact, riding a sharp rise in mobility as the festival season rolled in. The Nomura India Business Resumption Index (NIBRI), a weekly tracker.

For details

<https://live24x7.news/business-activity-resumption-nears-pre-covid-levels/>

❖ Direct Tax

Notification No. 83 (October 19, 2020)

The Central Government vide Notification No. 83 Dated October 19, 2020 notifies that where the variation between the arm's length price determined under section 92C of the Income Tax Act, 1961 and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed 1% of the latter in respect of wholesale trading and 3% of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2020-2021.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_83_2020.pdf

❖ Market Watch

Capital Market	
S & P BSE Sensex	40544.37 (+112.77)
Nifty 50	11896.80 (+23.75)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.24 (-0.02%)	85.79 (-0.07%)	94.56 (-0.33%)	0.69 (-0.130%)

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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>



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❖ 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 Vitnigam 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-ayogenvitnigam-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.fbiil.org.in/#/home)</small>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
73.33	86.34	94.95	.695

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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



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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

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Info Capsule

Friday
October 23, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ SEBI Press Release

Regulatory measures to continue

On review of the COVID-19 pandemic related situation, SEBI has decided that the regulatory measures introduced vide SEBI Press Release dated March 20, 2020 shall continue to be in force till November 26, 2020.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2020/regulatory-measures-to-continue_47955.html



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❖ Securities Law

SEBI Circulars

• Processing of applications for registrations of AIFs and launch of schemes (October 22, 2020)

The applications wherein Investment Committee proposed to be constituted to approve investment decisions of AIF includes external members who are 'resident Indian citizens', shall be duly processed. Whereas, the applications wherein Investment Committee proposed to be constituted to approve investment decisions of AIF includes external members who are not 'resident Indian citizens', shall be considered only after receipt of pending clarifications from Government and RBI as stated in the circular.

For details: https://www.sebi.gov.in/legal/circulars/oct-2020/processing-of-applications-for-registrations-of-aifs-and-launch-of-schemes_47956.html

• Clarification on SEBI Circular dated 13 August, 2020 on Investor grievances redressal mechanism – Handling of SCORES complaints by stock exchanges and Standard Operating Procedure for non-redressal of grievances by listed companies

SEBI has clarified that the words "promoter and promoter group" and "promoter/promoter group" to be read as "promoter(s)" in respect of Paras 16, 27, 32 and Point 2c of Annexure -1 of the Circular SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020 on Investor grievances redressal mechanism – Handling of SCORES complaints by stock exchanges and Standard Operating Procedure for non-redressal of grievances by listed companies.

For details:

<https://www.sebi.gov.in/legal/circulars/oct-2020/clarification-on-sebi-circular-sebi-ho-oiae-igrd-cir-p-2020-152-dated-13-august-2020-on-investor-grievances-redressal-mechanism-handling-of-scores-complaints-by-stock-exchanges-and-standard-operati-47953.html>

- **Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"**

In order to enable the debenture trustees to take prompt action for enforcement of security in case of default in listed debt securities, a 'Recovery Expense Fund' (REF) shall be created which shall be used in the manner as decided in the meeting of the holders of debt securities. Further, as per circular, issuers of listed or proposed to be listed debt securities would have to deposit 0.01% of the issue size or maximum of Rs 25 lakh towards creation of recovery expense fund with the 'Designated Stock Exchange'.

The provisions of this circular shall come into force w.e.f. January 01, 2021 and all the applications for listing of debt securities made on or after January 01, 2021 shall comply with the condition of creation of REF. The existing issuers whose debt securities are already listed on Stock Exchange(s) shall be given additional time period of 90 days to comply with this circular for creation of REF.

For details:

https://www.sebi.gov.in/legal/circulars/oct-2020/contribution-by-issuers-of-listed-or-proposed-to-be-listed-debt-securities-towards-creation-of-recovery-expense-fund-_47939.html

❖ **Banking and Insurance**

- **Review of regulatory framework for Housing Finance Companies (HFCs) (October 22, 2020)**

In exercise of powers conferred under National Housing Bank Act, 1987, and Reserve Bank of India Act, 1934, and in supersession of relevant regulations issued by National Housing Bank (NHB), will be applicable to all HFCs. HFCs shall continue to comply with all extant instructions issued by NHB.

For details :

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11988&Mode=0>

- **Digital Payment Transactions – Streamlining QR Code infrastructure (October 22, 2020)**

Reserve Bank had constituted a Committee to review the current system of Quick Response (QR) Codes in India and suggest measures for moving towards interoperable QR Codes. The report of the Committee containing various recommendations was placed on the Reserve Bank website for public comments and feedback.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11987&Mode=0>

- **Framework for Recognition of a Self-Regulatory Organisation for Payment System Operators (October 22, 2020)**

Industry Self-Governance helps in industry-wide smooth operations and ecosystem development. Reserve Bank of India's Payment and Settlement Systems Vision 2019-21, therefore, envisaged the setting up of a Self-Regulatory Organisation (SRO) for Payment System Operators (PSOs). RBI had placed a draft framework for public comments and based on the comments and suggestions received, it has finalised the Framework for Grant of Recognition as a SRO.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11986&Mode=0>

- **IRDAI issues guidelines for insurers for settlement of claims of flood victims this month (October 22, 2020)**

IRDAI has issued guidelines for settlement of claims of victims in recent floods in Telangana Andhra Pradesh and Telangana. In a circular, IRDAI said, "As you are aware, the recent floods (October 2020) have caused immense loss to property in parts of Telangana, Andhra Pradesh and neighboring States. General Insurers may have issued policies for the protection of lives and property located in the affected areas."

"There is an urgent need for the insurance industry to take immediate steps to mitigate the hardships of the affected insured population by ensuring immediate registration and settlement of eligible claims."

For details:

<https://www.financialexpress.com/money/insurance/irdai-issues-guidelines-for-insurers-for-settlement-of-claims-of-flood-victims-this-month/2111743/>

❖ Market Watch

Capital Market	
S & P BSE Sensex	40685.50 (+127.01)
Nifty 50	11930.40 (+33.90)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.65	87.30	96.83	.703

❖ **Pronouncement**

October 20, 2020	<i>Ashish O. Lalpuria (Appellant) vs. Kumaka Industries Ltd. & Ors.(Respondents)</i>	NCLAT
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The non-compliances and irregularities or any illegal act already committed by the company cannot be ratified under the umbrella of “Scheme of Arrangements” as envisaged under Section 230-232 of the Companies Act, 2013

The Appellant is a shareholder of Respondent No. 1 Company and he pointed out certain irregularities and non-compliances and raised the objections that the Scheme of Arrangements presented by Respondent No. 1 company before NCLT, Mumbai bench is a mere rectification of action already taken by the Respondent company without obtaining approval of Tribunal and other Regulatory Authorities as required under the provisions of the Companies Act. Since, NCLT, Mumbai in its order dated July 6, 2020 held that the Scheme of Arrangement appeared to be fair and reasonable and does not violate any provision of law and is not contrary to public policy or public interest, the Appellant being aggrieved with the same filed the present appeal.

The NCLAT observed from the records that there were irregularities and non-compliances which were present at the time of sanctioning of scheme by the NCLT which was objected by the Stock Exchanges & Regional Director. These non-compliances and irregularities or any illegal act already committed cannot be ratified under the umbrella of “Scheme of Arrangements” as envisaged under Section 230-232 of the Companies Act, 2013.

Even if the objections are procedural but it is the jurisdiction of the Tribunal that such procedural aspects need to be duly complied with before sanctioning of the scheme. The NCLAT held that before the scheme gets approved, there must be no actions pending against the company by the public authorities before sanctioning of a scheme under Section 230 of the Companies Act, 2013. Hence, the appeal is allowed and the impugned order passed by NCLT, Mumbai bench is set aside and the Respondent No. 1 Company is directed to undo all the actions taken in line with the sanctioned “Scheme of Arrangement”.

For details:

<https://nclat.nic.in/Useradmin/upload/14627162425f8e987de09e1.pdf>

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Monday
October 26, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **Schedule of Online Doubt Clearing Classes for students appearing in December 2020, Examination (October 25, 2020)**

The ICSI has announced the schedule for Online Doubt Clearing classes commencing from October 27, 2020 to November 02, 2020 for the following subjects:

- a) Resolution of Corporate Disputes, Non-Compliances & Remedies [Module II- Professional Programme (N/S)]
- b) Securities Laws & Capital Markets [Module-II - Executive Programme (N/S)]

For details:

<https://www.icsi.edu/media/webmodules/Resolution%20of%20Corporate%20Disputes%20Non%20Compliances%20&%20Remedies.pdf>

<https://www.icsi.edu/media/webmodules/Securities%20Laws%20&%20Capital%20Markets.pdf>



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❖ Latest @ ICSI

- **The ICSI signs MOU with GGSIP University, Dwarka, New Delhi (October 24, 2020)**

The ICSI signed a Memorandum of Understanding with Guru Gobind Singh Indraprastha University, Dwarka, New Delhi, under the ICSI Academic Collaborations initiative.

For details:

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

- **Announcement regarding selection of Zone in Bengaluru, Bhubaneswar, Chennai, Hyderabad, Kolkata, Mumbai, Navi Mumbai and Thane Examination Centres (October 23, 2020)**

All candidates who have enrolled themselves for June 2020 Examination (later merged with December, 2020 Examination) and December 2020 Examination to be held from 21st December, 2020 to 30th December, 2020 from Bengaluru, Bhubaneswar, Chennai, Hyderabad, Kolkata, Mumbai, Navi Mumbai, and Thane Examination Centres shall be required to select their desired zone in their respective cities from the list of new zones created by the Institute. All such candidates are hereby informed that the Institute is extending one more final opportunity by allowing them to opt their desired Zone* nearest to their residence / place of stay within their City of Examination Centre without payment of fee (free of cost) upto and including 27th October, 2020 (before 23.59 hours).

For details:

<https://www.icsi.edu/media/webmodules/ZoneWiseSelection.pdf>

❖ **Securities Law**

- **The High Court did not allow Franklin Templeton (FT) to distribute money in cash-positive schemes that the fund house has received. (October 26, 2020)**

When responding to a petition that a direction be issued to return money to the investors, the HC said that as the decision of trustees to wind up schemes is held valid, the investors will be entitled to receive money as per the existing wind-up regulations. "The investors will get the money only after sale of assets of the scheme and that also after making payment to the creditors and making a provision for expenses of liquidation. In case the decision of the trustees is held to be bad in law, then the unit-holders will have to make requests for redemption," the HC order read.

For details: <https://www.moneycontrol.com/news/business/personal-finance/franklin-templeton-scheme-investors-wait-gets-longer-despite-favourable-verdict-heres-why-6009641.html>

- **SEBI grants exemption to NTPC for proposed share buyback (October 23, 2020)**

SEBI has granted an exemption to NTPC for its proposed share buyback. Last week, the state-owned power generation company had approached SEBI seeking an exemption from one of its rules which bars a company from announcing buyback program pending any scheme of amalgamation.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-grants-exemption-to-ntpc-for-buy-back-programme/articleshow/78832142.cms>

❖ **Indirect Tax**

Goods and Services Tax updates

- **Central Government borrows and transfers Rs. 6000 Crores as GST Compensation (October 23, 2020)**

The Government of India has evolved a special borrowing window to address the shortfall in the GST collection during the year 2020 – 2021. The Central Government borrowed and transferred Rs.6000 crores as first tranche to 16 States on account of GST compensation under Special Borrowing Window. The borrowing is at an interest rate of 5.19 percent.

For details : <https://pib.gov.in/PressReleasePage.aspx?PRID=1667096>

- **Withdrawal of EVC facility extended to companies for filing GSTR1 and GSTR3B (October 23, 2020)**

The facility to file GSTR 3B and GSTR-1 with the EVC in lieu of DSC extended to the registered person, who are also registered under the Companies Act, 2013, shall be withdrawn w.e.f. November 1, 2020. However, facility to file NIL returns through OTP verification, shall be continued for all types of registered persons.

For details : <https://www.gst.gov.in/newsandupdates/read/408>

- **Extension of due dates for Annual Return and Reconciliation Statement for 2018-19(October 24, 2020)**

The due date for filing Annual Return (FORM GSTR-9/GSTR-9A) and Reconciliation Statement (FORM GSTR-9C) for Financial Year 2018-19 has been extended **from October 31, 2020 to December 31, 2020**. The filing of Annual Return (FORM GSTR-9/ GSTR-9A) for 2018-19 is optional for taxpayers who had aggregate turnover below Rs. 2 crore. The filing of reconciliation Statement in FORM 9C for 2018-19 is also optional for the taxpayers having aggregate turnover upto Rs. 5 crore.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1667289>

❖ **Direct Tax**

Extension of due date of furnishing of Income Tax Returns and Audit Reports (PIB Dated October 24, 2020)

In order to provide more time to taxpayers for furnishing of Income Tax Returns, it has been decided to further extend the due date for furnishing of Income-Tax Returns as under:

1. The due date for furnishing of Income Tax Returns for the taxpayers (including their partners) who are required to get their accounts audited [for whom the due date (i.e. before the extension by the said notification) as per the Act is 31st October, 2020] has been extended to 31st January, 2021.
2. The due date for furnishing of Income Tax Returns for the taxpayers who are required to furnish report in respect of international/specified domestic transactions [for whom the due date (i.e. before the extension by the said notification) as per the Act is 30th November, 2020] has been extended to 31st January, 2021.
3. The due date for furnishing of Income Tax Returns for the other taxpayers [for whom the due date (i.e. before the extension by the said notification) as per the Act was 31st July, 2020] has been extended to 31st December, 2020.

Consequently, the date for furnishing of various audit reports under the Act including tax audit report and report in respect of international/specified domestic transaction has also been extended to 31st December, 2020.

Further, the due date for payment of self-assessment tax for taxpayers whose self-assessment tax liability is up to Rs. 1 lakh has been extended to 31st January, 2021 for the taxpayers mentioned in point no. 1 & 2 and to 31st December, 2020 for the taxpayers mentioned in point no. 3.

For details :

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1667281>

❖ Banking and Insurance

• Interest waiver to be credited by November 05, 2020 (October 26, 2020)

Lenders will have to pay up by 5 November the interest on interest charged on loans of up to ₹2 crore for the six-month repayment moratorium period, the government said, 10 days after being pulled up by the Supreme Court. The finance ministry announced the waiver on interest on interest on Saturday, October 24, 2020 along with details of implementation. To be sure, borrowers will still have to pay the simple interest on their loans.

For details:

<https://www.livemint.com/industry/banking/interest-waiver-to-be-credited-by-5-nov-11603680202256.html>

• Kotak Mahindra Bank mulls takeover of IndusInd Bank (October 26, 2020)

Kotak Mahindra Bank Ltd., backed by Asia's richest banker, is exploring a takeover of smaller Indian rival IndusInd Bank Ltd., people with knowledge of the matter said, a move that would create the nation's eighth-largest financial firm by assets. UdayKotak, founder and chief executive officer of Kotak Mahindra, is looking at the possibility of an all-stock acquisition, one of the people said, asking not to be identified as the discussions are private. UdayKotak and the Hinduja family have held initial talks over the proposal in which the founders of IndusInd Bank could retain a stake in the lender after a deal.

For details:

<https://www.financialexpress.com/industry/banking-finance/kotak-mahindra-bank-mulls-takeover-of-indusind-bank-assets-likely-to-rise-this-much/2113808/>

❖ Market Watch

Capital Market	
S & P BSE Sensex	40145.50 (-540.00)
Nifty 50	11767.75 (-162.60)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.578	86.775	96.0585	.7026

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Info Capsule

Tuesday
October 27, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **1st ICSI Alumni Meet (Virtual) for NIRC MSOP participants of 2019**

1st ICSI Alumni Meet (Virtual) will be organized on November 06 & November 07, 2020 from 4:00pm–6:30pm for Members who have attended MSOP Batches 287th to 300th at NIRC in 2019.

For details:

https://www.icsi.edu/media/webmodules/CSAlumnimeet_LV.PDF

- **Announcement for Commencement of Registration for Company Secretary Executive Entrance Test (CSEET) January 2021, Session**

January, 2021 Session of Company Secretary Executive Entrance Test (CSEET) shall be held on Saturday, January 9, 2021. It is hereby informed that the registration for CSEET, January, 2021 session is scheduled to commence from October 28, 2020. The Last date for registration is December 15, 2020.

For details:

https://www.icsi.edu/media/webmodules/CSEET_Jan2021_Session.jpg



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❖ Securities Law

Adjudicating Order

- **In respect of Kailash Prasad Purohit in the matter of Unisys Softwares and Holding Industries Limited (October 26, 2020)**

SEBI imposed a penalty of Rs. 2 lakh on Kailash Prasad Purohit (Promoter of Unisys) for not making the disclosure to the stock exchanges about pledging of 50,000 shares of Unisys Softwares and Holding Industries Limited, hence not adhered the provisions of SAST Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-kailash-prasad-purohit-in-the-matter-of-unisys-softwares-and-holding-industries-limited_47984.html

❖ Indirect Tax

Goods and Services Tax

- **Filing NIL Form CMP-08 statement through SMS on GST Portal (October 26, 2020)**

A Composition taxpayer may now file NIL statement in Form GST CMP-08 for a quarter, through an SMS, apart from filing it through online mode, on GST Portal. To file NIL Form GST CMP-08 through SMS, the taxpayer must be registered as composition taxable person (by filing Form GST REG-01) or the taxpayer might have opted for composition levy (by filing Form GST CMP-02). Taxpayer must have filed all the applicable statement(s) in Form GST CMP-08 for the previous quarter(s). All the authorized representatives for a particular GSTIN, with unique mobile number can file NIL Form GST CMP-08 through SMS. The due date for filing of Form GST CMP-08 is 18th of the month following the quarter.

For details:

<https://www.gst.gov.in/newsandupdates/read/409>

❖ **Banking & Insurance**

- **Scheme for grant of Ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in Specified Loan Accounts (October 26, 2020)**

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions.

For details : <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11989&Mode=0>

- **Aditya Puri retires, Sashidhar Jagdishan takes over as HDFC Bank MD-CEO (October 27, 2020)**

Aditya Puri, who was HDFC Bank managing director and CEO for 26 years, retired on Monday from India's largest private bank. Sashidhar Jagdishan has taken over the charge. On his last day in office, while addressing his colleagues virtually, Puri, 70, spoke about the journey of building the bank which focused on the centrality of the employees. Puri retired in accordance with the RBI regulations which say a private bank CEO's tenure should not exceed 70 years.

For details: <https://indianexpress.com/article/business/banking-and-finance/aditya-puri-retires-sashidhar-jagdishan-takes-over-as-hdfc-bank-md-ceo-6887607/>

- **Customer spending getting back to pre-COVID levels: AU Small Finance Bank (October 26, 2020)**

AU Small Finance Bank on Monday said customer spending is getting back to pre-COVID levels and its festive season offer has witnessed 23 per cent rise in per day debit card spends. The 'AU Shopping Dhamaka' was launched on September 21 and will go on till November 22. AU Small Finance Bank is experiencing an increase of 23 per cent in per day debit card spends. Overall, point-of-sale (PoS) and e-commerce transactions witnessed a surge of 16 per cent since the launch of the festive offers, it said in a release.

For details: <https://www.financialexpress.com/industry/banking-finance/customer-spending-getting-back-to-pre-covid-levels-au-small-finance-bank/2114273/>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	40522.10 (+376.60)
Nifty 50	11889.40 (+121.65)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.7331	87.2533	96.0172	.703

❖ **Pronouncement**

October 09, 2020	<i>Meethelaveetil Kaitheri Muralidharan (Appellant) vs. Union of India & Ors. (Respondents)</i>	Madras High Court
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Madras High Court quashes ROC action of Deactivation of DINs of all disqualified Directors**Fact of the case:**

This writ appeal against the common order has been filed to quash the respective disqualification by the ROC and for consequential reactivation of the DIN or permission for appointment or reappointment as director were dismissed.

The Madras High Court observed that Rules 9 and 10 of the Companies (Appointment & Qualification of Directors) Rules, 2014 which deals with the application for allotment of DIN. Rule 10 (6) specifies that the DIN is valid for the life time of the applicant and shall not be allotted to any other person. Rule 11 of the Companies (Appointment & Qualification of Directors) Rules, 2014 provides for the cancellation or surrender or deactivation of the DIN. It is very clear upon examining Rule 11 that neither cancellation nor deactivation is provided for upon disqualification under Section 164(2) of the Companies Act, 2013. In this connection, it is also pertinent to refer to Section 167(1) of the Companies Act, 2013 which provides for vacating the office of director by a director of a Defaulting Company.

In this connection, it is also pertinent to point out that it is not possible to file either the financial statements or the annual returns without a DIN. Consequently, the director of defaulting company would be required to retain the DIN so as to make good the deficiency by filing the respective documents. Thus, apart from the fact that the Companies (Appointment & Qualification of Directors) Rules, 2014 do not empower the ROC to deactivate the DIN, such deactivation would also be contrary to Section 164(2) read with 167(1) of CA 2013 inasmuch as the person concerned would continue to be a director of the Defaulting Company.

Judgement

Hence, these appeals are allowed by setting aside the impugned order dated 27.01.2020. Consequently, the publication of the list of disqualified directors by the ROC and the deactivation of the DIN of the Appellants is hereby quashed.

For details : <https://www.mhc.tn.gov.in/judis/index.php/casestatus/viewpdf/548542>

Prepared by Directorate of Academics

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

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Info Capsule

Wednesday
October 28, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **Annual Directors' Conclave-2020 (October 27, 2020)**

Annual Directors' Conclave-2020 is scheduled to be held on October 28-29, 2020 at 3:00 PM-7P.M. (Virtually) on the theme Re-imagining the Future Business beyond 2020: A Strategic Foresight.

For details:

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

- **NSE-ICSI Investors Knowledge Quest (October 27, 2020)**

The ICSI jointly with the NSE is organizing an Investors' Knowledge Quest on October 31, 2020 at 11:00 a.m. to 11:20 a.m. Last date for Registration is October 30, 2020.

For details:

https://www.icsi.edu/media/webmodules/INVESTOR_FL YER.JPG



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❖ Securities Law

SEBI Orders

- **In the matter of BSP Infrastructure & Construction Limited (SEBI order dated October 27, 2020)**

SEBI directs BSP Infra to return investors' money within 90 days

SEBI directed BSP Infrastructure & Construction and its then managing director Pradip Samaddar to refund the money raised from investors within 90 days. They have been directed to refund the money along with an interest of 15 per cent per annum, as per SEBI order. In addition, they have been barred from the capital markets for a period of four years or till the completion of refund to investors, whichever is earlier.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/final-order-in-the-matter-of-bsp-infrastructure-and-construction-limited-_48016.html

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-directs-bsp-infra-to-return-investors-money-within-90-days/articleshow/78895810.cms>

- **In the matter of GDR issue 2008/ GDR Issue 2010 of Beckons Industries Ltd. (SEBI order dated October 27, 2020)**

SEBI bans Beckons Industries, its senior officials for Global Depository Receipts (GDR) manipulation

SEBI restrained Beckons Industries Ltd and its senior officials from accessing securities market in a matter related to manipulation in issuance of GDR issuance. Through two separate orders, SEBI noted that the firm issued 1.44 million GDRs amounting to USD 5 million in July 2008 and 2.49 million GDRs worth USD 10.54 million in June 2010.

On both the occasions, all GDRs were subscribed by only one entity, Vintage FZE, on obtaining a loan from EURAM Bank.

The company acted as a guarantor and deposited the entire GDR proceeds received from Vintage FZE with EURAM Bank as security against the loan for subscribing to the GDRs issued by the company. The company also failed to make requisite disclosures pertaining to the GDR issue.

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/in-the-matter-of-gdr-issue-2008-of-beckons-industries-ltd_48009.html

https://www.sebi.gov.in/enforcement/orders/oct-2020/in-the-matter-of-gdr-issue-2010-of-beckons-industries-ltd_48010.html

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-bans-beckons-industries-its-senior-officials-for-gdr-manipulation/articleshow/78896279.cms>

SEBI in News

- **SEBI provides clarity on Alternate Investment Fund norms (October 27, 2020)**

SEBI has clarified that category II and III Alternative Investment Funds (AIFs) established as a trust may qualify as qualified buyer and subscribe to security receipts issued by an Asset Reconstruction Company. The clarification came on Monday, October 27, 2020 as part of an informal guidance sought by SREI Multiple Asset Investment Trust (SMAIT) with respect to AIF norms.

Considering the submissions of SMAIT, SEBI stated that as per the existing regulatory framework, category II and III AIFs established as a "trust" may qualify as "qualified buyer" under the SARFAESI Act and subscribe to security receipts issued by asset reconstruction company, subject to other regulatory norms.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-provides-clarity-on-alternate-investment-fund-norms/articleshow/78894390.cms>

- **MFs ask SEBI to relax cap on Foreign Investments (October 27, 2020)**

Mutual funds (MFs) have approached the SEBI to raise the current \$300 million overseas investment limit of an asset management company as Indian investors develop a heightened appetite for risk-taking outside the country.

For details:

<https://www.livemint.com/market/stock-market-news/mfs-ask-sebi-to-relax-cap-on-foreign-investments-11603758033463.html>

❖ **Direct Tax**

- **Taxpayers can make payments under 'Vivad se Vishwas' scheme till March 31, 2020 (October 27, 2020)**

The Government further extended the date for making payment without any addition under Vivad se Vishwas scheme by three months i.e. till March 31, 2021. However, declaration by taxpayers for opting dispute settlement under the scheme must be made by December 31, 2020. The initial deadline of the scheme was extended from March 31, 2020 to June, 2020 and then again to December 31, 2020.

For more details:

https://www.business-standard.com/article/economy-policy/taxpayers-can-make-payments-under-vivad-se-vishwas-scheme-till-march-31-120102701597_1.html

❖ **Banking & Insurance**

- **RBI releases “State Finances: A Study of Budgets of 2020-21” (October 27, 2020)**

The Reserve Bank of India (RBI) has released the report titled “**State Finances: A Study of Budgets of 2020-21**”, an annual publication that provides information, analysis and an assessment of the finances of state governments for 2020-21 against the backdrop of actual and revised (or provisional accounts) outcomes for 2018-19 and 2019-20, respectively. The theme of this year’s Report is “COVID-19 and its Spatial Dimensions in India”.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50573

- **US SEC not to take action against ICICI Bank in provisioning probe (October 28, 2020)**

ICICI Bank on October 27, 2020 said the US Securities and Exchange Commission (SEC) has concluded a probe into the bank’s bad-loan provisioning exercise and decided not to take any enforcement action against it. The probe dates back to 2018, when the lender had received requests for information from the SEC investigatory staff for an enquiry relating to the timing and amount of the bank’s loan impairment provisions taken under US GAAP (Generally Accepted Accounting Principles).

For details :

<https://www.financialexpress.com/industry/banking-finance/us-sec-not-to-take-action-against-icici-bank-in-provisioning-probe/2115230/>

❖ International News

- **Emerging markets ripe for climate deals, but come with social costs, risks (October 27, 2020)**

There is huge need for financing climate-related projects in emerging markets, but the social costs and the lack of return are acting as deterrents to global lenders.

Developing countries will play a crucial role if the world is going to meet climate goals like the Paris Agreement on climate change, which aims to limit global temperature rises to less than 2 degrees C. Investors and policymakers in developing countries are caught between a rock and a hard place, however, as the social and financial cost of a rapid green transition could be huge, something that has been compounded by the coronavirus pandemic, market participants say.

For details:

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/emerging-markets-ripe-for-climate-deals-but-come-with-social-costs-risks-60466821>

❖ Market Watch

Capital Market	
S & P BSE Sensex	39922.46 (-599.64)
Nifty 50	11726.85 (-162.55)

Reference Rate <small>(https://www.fbil.org.in/#/home)</small>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.7487	87.2644	96.1698	.7044

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Thursday
October 29, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ International News

BSP to Stimulate SME Lending with New Credit Risk Database (October 29, 2020)

The BSP (Bangko Sentral ng Pilipinas) is in the process of building a credit risk database for SMEs, which it says will encourage lenders issue more loans with minimal collateral requirements.

BSP is said to be working with the JICA (Japanese International Corporation Agency) to gather data and develop a new credit rating model for SMEs, with the help of local banks – 18 of which have agreed to provide data to build the new database.

For details:

<https://www.regulationasia.com/bsp-to-stimulate-sme-lending-with-new-credit-risk-database/>



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❖ Securities Law

Press Release

- **SEBI Chairman interacts with investors and other stakeholders from USA (October 28, 2020)**

Shri Ajay Tyagi, Chairman, SEBI had an e-interaction on October 27, 2020 with various stakeholders including industry and investor associations from United States of America (USA). The interaction was organized by US India Strategic Partnership Forum (USISPF). He briefed the key developments of the Indian economy as well as the recent trends in the securities market. The participants appreciated the various initiatives taken by SEBI and emphasized the need for early finalization of direct listing scheme, development of Corporate Bond market and further reforms in IPO regulations etc.

For details:

https://www.sebi.gov.in/media/press-releases/oct-2020/sebi-chairman-interacts-with-investors-and-other-stakeholders-from-usa-participants-emphasize-need-for-early-finalization-of-direct-listing-scheme-development-of-corporate-bond-market-and-further-re_48020.html

- **Frequently Asked Questions (FAQs) - Portfolio Managers (October 28, 2020)**

SEBI vide dated October 28, 2020 uploaded Frequently Asked Questions related to Portfolio Managers on its website.

For details:

https://www.sebi.gov.in/otherentry/oct-2020/faq-portfolio-managers_47397.html

SEBI Orders

• **Settlement Order in the matter of IL&FS Securities Services Ltd. (October 28, 2020)**

IL&FS Securities Services Ltd has settled with SEBI a case of alleged violation of market norms in respect of its risk participation arrangement with IL&FS Financial Services Ltd. The firm paid Rs 7.8 lakh towards settlement charges, as per a settlement order. IL&FS Securities Services is a clearing member of the National Stock Exchange and is also registered with SEBI, while IL&FS Financial Services is registered with the Reserve Bank of India as a non-banking financial company (NBFC).

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/settlement-order-in-the-matter-of-ilandfs-securities-services-ltd-_48022.html

<https://economictimes.indiatimes.com/markets/stocks/news/ilfs-securities-services-pays-rs-7-8-lakh-to-settle-case-with-sebi/articleshow/78913050.cms>

❖ **Direct Tax**

• **Clarifications in respect of the Direct Tax Vivad se Vishwas Act, 2020 (Circular No. 18 Dated October 28, 2020)**

The Central Government vide notification dated October 27, 2020 has extended the date for payment without additional amount under Vivad se Vishwas from December 31, 2020 to March 31, 2021. The said notification also notified the last date for filing declaration under Vivad se Vishwas as December 31, 2020.

However, under the existing provisions of the Vivad se Vishwas Scheme, the declarant is required to pay the amount within a period of 15 days from the date of receipt of certificate from the designated authority. But as per the aforesaid notification, a declarant who files declaration on or before December 31, 2020 can make payment without additional amount on or before March 31, 2021. Hence, requiring payment by the declarant within a period of 15 days from the date of receipt of certificate from the designated authority may result into undue hardship for the declarant in whose case the period of 15 days expires before March 31, 2021.

Therefore, it is hereby clarified that where a declarant files a declaration under Vivad se Vishwas Scheme on or before December 31, 2020, the designated authority, while issuing the certificate, shall allow declarant to make payment without additional amount on or before March 31, 2021.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_18_2020.pdf

❖ **Indirect Tax**

Goods and Services Tax

- **Extension in Due Date of Return – Notification No. 80/2020 – Central Tax (October 28, 2020)**

This notification seeks to amend Notification no. 41/2020-Central Tax dated May 05, 2020 to extend due date of return under Section 44 from October 31 to December 31, 2020.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-80-central-tax-english-2020.pdf>

Customs

- **Manufacturing and other operations undertaken in Bonded Warehouses – Circular No. 48/2020 (October 27, 2020)**

A Unit registered under the Section 65 of the Customs Act, 1962, can perform job work operations and shall maintain due accounting of such job work as per the provisions of GST law. In case any imported inputs which are warehoused are consumed during the job work process, duty shall be paid on such goods (i.e. the warehoused goods) by filing Ex-Bond Bill of Entry, when such job worked goods are returned to the principal/owner.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-48-2020.pdf>

- **Extension in BCD on Lentils – Notification No. 39/2020 – Customs (October 28, 2020)**

This Notification seeks to further amend notification No. 50/2017-Customs dated June 30, 2017 so as to extend the concessional Basic Customs Duty on Lentils (Mosur) till December 31, 2020.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs39-2020.pdf>

- **Concessional BCD rate on Potato Imports – Notification No. 40/2020 – Customs (October 28, 2020)**

This notification seeks to prescribe concessional Basic customs duty rate on potato imports with the prescribed Tariff Rate Quota (TRQ) till the January 31, 2021. The TRQ authorization shall contain name and address of the importer, IEC code, Customs notification No., sub-heading or tariff item as applicable, quantity and validity period of certificate. The TRQ authorization shall be issued electronically by the Directorate General of Foreign Trade and transmitted to ICES system.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-tarr2020/cs40-2020.pdf>

❖ **Banking & Insurance**• **SBI inks \$1 bn pact with JBIC to help Auto Firms (October 29, 2020)**

State Bank of India (SBI) on October 28, 2020 said it has signed a loan agreement of \$1 billion with Japan Bank for International Cooperation (JBIC). Under the pact, Japanese financial institutions will provide funds for the manufacturers, suppliers and dealers of Japanese automobiles in the country. Of the total loan amount, \$600 million will be financed by JBIC and \$400 million by other participating Japanese banks such as SMBC, MUFG Bank, Mizuho Bank, Shizuoka Bank and Bank of Yokohama.

For details:

<https://www.livemint.com/industry/banking/sbi-inks-1-bn-pact-with-jbic-to-help-auto-firms-11603906218578.html>

❖ **Economic Law**• **Consolidated FDI Policy Circular of 2020 (October 29, 2020)**

Department for Promotion of Industry and Internal Trade Ministry of Commerce and Industry, Government of India has come out with Consolidated FDI Policy effective from October 15, 2020. The mentioned policy has put in place a policy framework on FDI, which is transparent, predictable and easily comprehensible.

For details:

<https://dipp.gov.in/sites/default/files/FDI-PolicyCircular-2020-28October2020.pdf>

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	39749.85 (-172.61)
Nifty 50	11670.80 (-58.80)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
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Info Capsule

Monday
November 02, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **Announcement for Training Clearance Certificate (TCC) for applying for the Associate Membership w.e.f. November 01, 2020 (October 31, 2020)**

For details:

https://www.icsi.edu/media/webmodules/TCC_ANNOUNCEMENT_31102020.pdf

- **Schedule of Online Doubt Clearing Classes for students appearing in December 2020, Examination (October 31, 2020)**

For details:

<https://www.icsi.edu/media/webmodules/Economic,%20Business%20and%20Commercial%20Laws.pdf>

- **One more attempt under 2012 Old Syllabus for Executive & Professional Program students**

The ICSI has decided that the Students of Executive and Professional Programme (2012 old syllabus) shall be allowed one more attempt during the June, 2021 session of examinations.

For details:

https://www.icsi.edu/media/webmodules/20201030_2.pdf



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❖ Latest @ ICSI

- **Announcement for Carry Forward of Examination Fees to June, 2021 Exam session**

In view of ongoing COVID-19 crisis, some of the students enrolled for June, 2020 session (merged with December 2020 exam session) and students enrolled afresh for December 2020 exam session may wish to appear in June 2021 session of examination, instead of appearing for December 2020 examination session.

The ICSI has allowed such students to opt June 2021 exam session, instead of December 2020 exam session and carry forward the exam fee already paid by the students for the module for which they have enrolled for June, 2020 session (merged with December 2020 exam session)/ December 2020 exam session.

For details:

https://www.icsi.edu/media/webmodules/20201030_1.pdf

- **Announcement for CSEET to be conducted on November 21, 2020 through Remote Proctored Mode**

On account of COVID-19 Pandemic, the ICSI has announced to conduct the next CSEET on November 21, 2020 through Remote Proctored Mode. The detailed modus operandi for conducting of CSEET through remote proctored mode is placed on ICSI website.

For details:

https://www.icsi.edu/media/webmodules/Announcement_for_conducting_CSEET_on_21112020_through_Remote_Mode.pdf

- **Preliminary status of Students registered till October 27, 2020 for CSEET Scheduled to be held on November 21, 2020**

The preliminary status of students registered up to October 27, 2020 for the CSEET scheduled to be held on November 21, 2020 has been made available at the following link:

<https://smash.icsi.in/Scripts/CSEET/PreliminaryStatusCSEET.aspx>

Students may please check and verify their details pertaining to CSEET Registration for November, 2020 session.

For details:

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

❖ **Securities Law & Capital Market**

Public Notice

• **Extension of the Settlement Scheme 2020 (October 31, 2020)**

SEBI, vide public notice dated July 27, 2020 introduced the Settlement Scheme which proposes to provide a onetime settlement opportunity to those entities that have executed trade reversals in the stock options segment of BSE during the period from April 01, 2014 to September 30, 2015 and against whom enforcement proceedings have been approved by SEBI. In this regard, SEBI has extended period of the Scheme till December 31, 2020 in view of the large scale disruption caused by the Covid-19 pandemic.

For details :

https://www.sebi.gov.in/media/public-notices/oct-2020/public-notice-in-respect-of-extension-of-the-sebi-settlement-scheme-2020_48049.html

SEBI Orders

• **In the matter of Sai Prakash Properties Development Limited (SEBI Order dated October 29, 2020)**

SEBI imposed a monetary penalty of Rs. 25 lakh on Sai Prakash Properties Development Limited and its six directors for failing to comply with the directions of SEBI Order which directed them not to collect any fresh moneys from investors from its existing scheme and not to launch any new scheme/ plan or float any new companies/ firm to raise fresh moneys thus failed to comply with the SEBI Interim Order read with Regulation 65 of Collective Investment Scheme Regulations, 1999.

For details :

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-the-matter-of-sai-prakash-properties-development-limited_48045.html

• **In the matter of Jaisukh Dealers Limited (JDL) (SEBI Order dated October 29, 2020)**

SEBI imposed a total penalty of Rs. 65 lakh on 13 entities for allegedly trading amongst themselves, manipulating the share price of JDL in violation of Section 12A (a), (b), (c) of SEBI Act read with Regulation 3 (a), (b),(c),(d),4(1)and4 (2) (a),(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

For details:

https://www.sebi.gov.in/enforcement/orders/oct-2020/adjudication-order-in-respect-of-16-entities-in-the-matter-of-jaisukh-dealers-limited_48047.html

SEBI in News

- **Amazon tells SEBI that its partner Future Retail is misleading public (October 31, 2020)**

Amazon.com Inc has complained to SEBI that its local partner Future Retail Ltd misled shareholders by incorrectly saying it was complying with its contractual obligations to the U.S. e-commerce giant. Amazon is locked in a bitter legal dispute with Future Group, which in August sold its retail assets to Mukesh Ambani-led Reliance Industries Ltd for \$3.4 billion. The deal, Amazon alleges, breaches 2019 agreements by Future.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/amazon-tells-india-regulator-its-partner-future-retail-is-misleading-public/articleshow/78966659.cms>

❖ **Direct Tax**

- **Equalisation levy (Amendment) Rules, 2020 (Notification No. 87 Dated October 28, 2020)**

The Central Board of Direct Taxes 'CBDT' has made the Equalisation levy (Amendment) Rules, 2020 to amend the Equalisation levy Rules, 2016 to incorporate the amended provisions of equalisation levy on non-resident e-commerce operators. The Board has also amended forms for filing annual statements and appeal before CIT (Appeals) and ITAT.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_87_2020.pdf

❖ **Indirect Tax**

- **Goods and Services Tax**

GST Revenue collection in the month of October (November 01, 2020)

The gross GST revenue collected in the month of October, 2020 is ₹1,05,155 crore of which CGST is ₹19,193 crore, SGST is ₹25,411 crore, IGST is ₹52,540 crore (including ₹23375 crore collected on import of goods) and Cess is ₹8,011 crore (including ₹932 crore collected on import of goods). The total number of GSTR-3B Returns filed for the month of October up to October 31, 2020 is ₹80 lakh.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1669239>

❖ Labour Laws

• Draft Industrial Relation (Central) Rules, 2020 (October 29, 2020)

Ministry of Labour and Employment has issued draft Industrial Relation (Central) Rules, 2020 on October 29, 2020 which extends to whole of India including Union territories except Union Territories which have their respective legislature in respect to the industrial establishments and matters for which the Central Government is the appropriate Government. The rules will come into force on the date of their publication in the Official Gazette.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/222829.pdf>

❖ Market Watch

Capital Market	
S & P BSE Sensex	39757.58 (+143.51)
Nifty 50	11669.15 (+26.75)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.9732	86.9654	96.3269	.7087

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Info Capsule

Tuesday
November 03, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Insolvency and Restructuring**

- **Serving of copy of the application to the Board, as mandated under Rules 4, 6 and 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.**

The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 requires an applicant to provide a copy of the application for initiating corporate insolvency resolution process against a corporate debtor, inter alia, to the Board, before filing the same with the Adjudicating Authority. For convenience of applicants, the Board has made available a facility on its website at <https://www.ibbi.gov.in/intimation-applications/iaaa> for serving a copy of the application online to the Board. The format for submission is at Annexure A. A step-by-step guide for submission of the application is at Annexure B.

For details:

<https://ibbi.gov.in/uploads/legalframework/5d5792eab74d44db2a58e184abd65ab7.pdf>



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❖ **Latest @ ICSI**

• **International Live Webinar (November 02, 2020)**

The ICSI is conducting International Live Webinar on Convergence & Divergence of the Role of a Company Secretary in various Jurisdictions on November 06, 2020.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Convergence_&_Divergence_of_the_Role_of_a_Company_Secretary_in_various_jurisdictions.pdf

• **Crash Courses, on Labour Laws and Company Formation & Compliances (November 02, 2020)**

The ICSI has launched Two Crash Courses, on Labour Laws and Company Formation and Compliances for ICSI Members. The Registrations open from November 02, 2020.

For details:

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

• **The ICSI signs MOU with Hemchand Yadav Vishwavidyalaya, Durg (C.G.) (November 02, 2020)**

The ICSI signed a Memorandum of Understanding for academic collaboration with Hemchand Yadav Vishwavidyalaya, Durg, Chhattisgarh.

For details:

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

❖ **Securities Law & Capital Market**

SEBI Regulations

- **SEBI (Prohibition of Insider Trading) (Second Amendment) Regulations, 2020 (October 29, 2020)**

SEBI vide its notification dated October 29, 2020 amends the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 which shall come into force on the date of their publication in the Official Gazette. The amended provisions, inter-alia, inserted an explanation in regulation 7A, in sub-regulation (1), in clause (h), after sub-clause (iii), which prescribed as-

***"Explanation** – Information shall be considered timely, only if as on the date of receipt of the duly completed Voluntary Information Disclosure Form by the Board, a period of not more than three years has elapsed since the date on which the first alleged trade constituting violation of insider trading laws was executed."*

For details: <http://egazette.nic.in/WriteReadData/2020/222818.pdf>

- **SEBI (Mutual Funds) (Second Amendment) Regulations, 2020 (October 29, 2020)**

SEBI vide its notification dated October 29, 2020 amends the provisions of SEBI (Mutual Funds) Regulations, 1996 which shall come into force on the date of their publication in the Official Gazette. The amended provisions, inter-alia, have prescribed that *Chief Executive Officer (whatever be the designation) shall also ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of these regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.*

For details:

<http://egazette.nic.in/WriteReadData/2020/222848.pdf>

SEBI Order

- **In the matter of Siya-Ram Agro Industries Ltd (SRAIL) (SEBI Order dated November 2, 2020)**

SEBI issued directions to SRAIL and its directors which inter-alia provides that the company 'SRAIL' shall cease to mobilize fresh funds from investors through the offer and allotment of any securities, to the public and/or invite subscription, in any manner whatsoever, either directly or indirectly and further SRAIL and its directors shall not dispose of, alienate or encumber any of its/their assets or divert any funds raised from public either through the offer and allotment of Non-Convertible Redeemable Debentures (NCD's). SRAIL allegedly made public issues of NCD's without following the public issue and listing norms, the same is detrimental to the interest of investors.

For details : https://www.sebi.gov.in/enforcement/orders/nov-2020/final-order-in-the-matter-of-siya-ram-agro-industries-ltd_48060.html

❖ Pronouncements

October 19, 2020	Volkswagen Finance Private Limited (Appellant) vs. Shree Balaji Printopack Pvt. Ltd & Ors.(Respondents)	NCLAT
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‘Charge’ was not registered as per the provisions of Section 77 (1) of the Companies Act 2013 and as envisaged under the Insolvency and Bankruptcy Code, 2016, hence the Creditor cannot be treated as a ‘Secured Creditor’

Fact of the Case

The Respondent Company (under Liquidation) namely Shree Balaji Printopack Pvt. Ltd. executed a Loan and Hypothecation Agreement on November 25, 2013, for an amount of Rs. 36,00,000/- payable in 84 monthly instalments of Rs. 61,964/- each from December 15, 2013 to November 15, 2020, for the purchase of an AUDI Q3 TDI 2.0 vehicle. The Appellant claimed that they have security of the vehicle in terms of Sections 52 and 53 of the Insolvency and Bankruptcy Code, 2016 and a demand of Rs. 21,83,819.18/- was made which was not paid by Respondent and hence there was a ‘default’ giving rise to a legitimate claim.

The Appellant filed its claim on 22.07.2019 with the Liquidator and had informed the Liquidator that the ‘Charge’ was duly registered by way of hypothecation registration with the Regional Transport Office (RTO) in terms of Section 51 of the Motor Vehicles Act, 1988 and there was no requirement of registration of ‘Charge’ with the ROC. The Liquidator, dismissed the Claim made by the Appellant. Being aggrieved with the decision the Appellant approached the NCLT, New Delhi Bench, but the appeal was further rejected by NCLT and they upheld the order of Liquidator.

The main issue which falls for consideration in this Appeal is:

- whether the Liquidator was justified in rejecting the Application filed by the Appellant on the ground that the Appellant was not a ‘Secured Financial Creditor’ in the absence of the ‘Charge’ being registered with the ROC under Section 77 (1) of the Companies Act 2013.
- that the Registration of Hypothecation by way of ‘Charge’ under Section 51 of Motor Vehicles Act, 1988 would stand nullified, if the ‘Charge’ was not registered under the Companies Act, 1956/2013.

NCLAT observed from the documentary evidence on record that no ‘Charge’ has been registered under Section 77(1) of the Companies Act 2013 and Appellant ‘Claim’ was not supported by the provisions under Regulation 21 of IBBI (Liquidation Process) Regulation, 2016. Further, the contentions of the Appellant that Registration with Motor Vehicle Authority under Section 51 of the Motor Vehicles Act, 1988 would suffice, cannot be sustained.

Judgment

Hence, it is held that when ‘Charge’ was not registered as per the provisions of Section 77 (1) of the Companies Act 2013 and as envisaged under the Insolvency and Bankruptcy Code, 2016, the Creditor cannot be treated as a ‘Secured Creditor’. Thus, this Appeal is accordingly dismissed.

For details: <https://nclat.nic.in/Useradmin/upload/3897795695f8d688800f7c.pdf>

❖ **Economic Law**

- **Extension of period for Modification of License by existing FSSAI Licensed Manufacturers without modification fee (October 29, 2020)**

Previous order dated 28th May, 2020 Food Authority had issued the order that “all the manufacturers of food products shall modify their existing license upon migrating to new system i.e. FoSCos up to 31st December, 2020 without modification fee.”

It is informed that the Period for Modification of License by Existing FSSAI Licensed Manufacturers is extended till 30th June, 2021 without any modification fee.

For details:

https://fssai.gov.in/upload/advisories/2020/10/5f9a86ca30338Order_License_FoSCoS_29_10_2020.pdf

❖ **Terminology for Today**

- **What is the Purchasing Managers' Index?**

The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	40256.20 (+498.62)
Nifty 50	11810.95 (+141.80)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.322	86.487	95.862	.7096

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Wednesday
November 04, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **20th All India Essay Writing Competition – 2020 (November 03, 2020)**

The ICSI is organising 20th All India Essay Writing Competition-2020. The last date to submit the essay is November 20, 2020.

For details:

https://www.icsi.edu/media/webmodules/ESSAY_WRITING_COMPETITION_2020R.pdf



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❖ Securities Laws & Capital Market

SEBI Circulars

- **Creation of Security in Issuance of Listed Debt Securities and 'Due Diligence' by Debenture Trustee(s) (November 3, 2020)**

In order to secure the interest of investors in listed debt securities and to enable debenture trustee(s) to perform their duties effectively, amendments to the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Debenture Trustees) Regulations, 1993 were approved and notified by SEBI. In this regard, the guidelines are issued to give effect to above amendments which inter-alia provides that before making the application for listing of debt securities, the Issuer shall create charge as specified in the offer document or private placement memorandum/ information memorandum, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate from debenture trustee confirming creation of charge and execution of the DTD.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2020/creation-of-security-in-issuance-of-listed-debt-securities-and-due-diligence-by-debenture-trustee-s-_48074.html

- **Schemes of Arrangement by Listed Entities and (ii) Relaxation under Subrule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 (November 3, 2020)**

SEBI dated March 10, 2017 has laid down the framework for Schemes of Arrangement by listed entities and relaxation under Rule 19(7) of the Securities Contracts (Regulation) Rules, 1957. In order to further streamline the processing of draft schemes filed with the stock exchanges, certain amendments have been carried out to

the aforesaid circular dated March 10, 2017, as provided in the Annexure to this Circular which shall be applicable for all the schemes filed with the stock exchanges after November 17, 2020.

For details : https://www.sebi.gov.in/legal/circulars/nov-2020/schemes-of-arrangement-by-listed-entities-and-ii-relaxation-under-sub-rule-7-of-rule-19-of-the-securities-contracts-regulation-rules-1957_48064.html

SEBI Order

- **In the matter of Raghav Capital and Infrastructure Limited (RCIL) (November 3, 2020)**

SEBI imposed a penalty of Rs. 40 lakh on RCIL and its directors for violation of Section 12(1B) of the SEBI Act, 1992 and Regulation 3 of the CIS Regulations, 1999. RCIL has not obtained any certificate of registration under the CIS Regulations from SEBI for its fund mobilizing activity from the public under its schemes of land/plot.

For details: https://www.sebi.gov.in/enforcement/orders/nov-2020/adjudication-order-in-the-matter-of-raghav-capital-and-infrastructure-limited_48069.html

SEBI in News

- **Independent directors get a bigger say in Merger, Demerger (November 4, 2020)**

The SEBI has put the onus on independent directors to recommend the schemes of arrangement in listed companies as not detrimental to their shareholders. A scheme of arrangement includes merger, demerger or amalgamation of companies.

For details: <https://economictimes.indiatimes.com/markets/stocks/news/sebi-streamlines-framework-for-processing-of-draft-schemes-of-arrangement-filed-with-exchanges/articleshow/79022989.cms>

❖ **Direct Tax**

- **Notification No. 89 [Dated November 02, 2020]**

The Central Government hereby specifies the sovereign wealth fund, namely, the MIC Redwood 1 RSC Limited, Abu Dhabi, United Arab Emirates, as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_no_89_2020.pdf

❖ **Indirect Tax****Goods and Services Tax updates**• **Compliance Calendar for the month of November, 2020**

S. No.	Return	Description	Month(s) Period	Revised Due Date
1.	GSTR – 8	Details of Tax collected at Source	October, 2020	November 10, 2020
2.	GSTR – 7	Details of TDS deducted, amount of TDS paid and payable and any refund of TDS claimed	October, 2020	November 10, 2020
3.	GSTR – 1 (Monthly)	Details of outward supplies (Aggregate Turnover greater than 1.5 Crores and up to 5 Crores)	October, 2020	November 11, 2020
4.	GSTR – 2B	Auto-drafted Input Tax Credit Statement	October, 2020	November 12, 2020
5.	GSTR – 6	Input Service Distributor	October, 2020	November 13, 2020
6.	GSTR – 5	Details of outward taxable supplies and tax payable by Non Resident Taxable person(monthly)	October, 2020	November 20, 2020
7.	GSTR – 5A	Details of outward taxable supplies and tax payable by OIDAR(monthly)	October, 2020	November 20, 2020
8.	GSTR – 3B*	Aggregate Turnover above Rs. 5 Crores in preceding F.Y.	October, 2020	November 20, 2020
		Group A States: Aggregate Turnover up to Rs. 5 Crores in preceding F.Y.	October, 2020	November 22, 2020
		Group B States: Aggregate Turnover up to Rs. 5 Crores	October, 2020	November 24, 2020

* **GSTR – 3B : Group A States:** Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh Union Territories: Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep.

Group B States : Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi.

❖ **Arbitration Law**

• **The Arbitration and Conciliation (Amendment) Ordinance, 2020 (Dated November 4, 2020)**

Hon'ble President of India promulgated 'The Arbitration and Conciliation (Amendment) Ordinance, 2020' on November 04, 2020. i.e. today, with an objective to ensure that all the stakeholder parties get an opportunity to seek unconditional stay of enforcement of arbitral awards, where the underlying arbitration agreement or contract or making of the arbitral award are induced by fraud or corruption. Amendments in the ordinance inter-alia include amendments to Section 43J of principal Act, which prescribes qualification, experience and norms for accreditation of arbitrators, is substituted with the following section:

43J The qualifications, experience and norms for Accreditation of Arbitrators shall be such as may be specified by the Regulations.

Accordingly, the qualifications for appointment as arbitrators, which were earlier prescribed in the principal Act, will now be through Regulations.

For details : <http://www.egazette.nic.in/WriteReadData/2020/222941.pdf>

<https://www.livelaw.in/top-stories/centre-promulgates-arbitration-conciliation-amendment-ordinance-2020-165431>

❖ **Terminology for today**

• **Human Development Index**

The Human Development Index (HDI) is an index that measures key dimensions of human development. A long and healthy life- measured by life expectancy; Access to education – measured by expected years of schooling of children at school-entry age and mean years of schooling of the adult population.

❖ **Market Watch**

Capital Market		Reference Rate (https://www.fbil.org.in/#/home)			
S & P BSE Sensex	40616.14 (+355.01)	INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
Nifty 50	11908.50 (+95.00)	74.326	86.6557	96.0946	.7098

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Thursday
November 05, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **Economic Law**

• **Patents (Amendment) Rules, 2020.**

A patentee gets flexibility to file a single Form-27 in respect of single or multiple patents (Related patents) as per the new rules. The time available to patentees for filing Form-27 has been extended to six months, against the current three months, from the expiry of the financial year. There are also important changes with reference to Rule 21 on filing of priority documents. If the priority document is available in WIPO's (World Intellectual Property Organisation) digital library, the applicant would not be required to submit the same in the Indian Patent Office.

For details

http://www.ipindia.nic.in/writereaddata/Portal/Images/pdf/patents_amendment_rules_2020.pdf



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❖ **Securities Laws & Capital Markets**

SEBI Circulars

• **Guidelines for rights issue of units by an unlisted Infrastructure Investment Trust (InvIT) (November 4, 2020)**

In order to enable unlisted InvITs to raise further funds, it has been decided to provide a mechanism for raising of funds by unlisted InvITs through rights issue of units. SEBI has issued detailed guidelines for raising funds through this route which provides the guidelines on conditions for issuance, underwriting, letter of offer, application form, pricing of units, timelines and manner of issuance of units. Further, the minimum allotment to any investor, as prescribed, shall be INR 1 crore.

For details: https://www.sebi.gov.in/legal/circulars/nov-2020/guidelines-for-rights-issue-of-units-by-an-unlisted-infrastructure-investment-trust-inv-it_48082.html

• **Advisory for Financial Sector Organizations regarding Software as a Service (SaaS) based solutions (November 3, 2020)**

The financial sector institutions are availing or thinking of availing Software as a Service (SaaS) based solution for managing their Governance, Risk & Compliance (GRC) functions so as to improve their cyber Security Posture. Though SaaS may provide ease of doing business and quick turnaround, but it may bring significant risk to health of financial sector as many a time risk and compliance data of the institution moves beyond the legal and jurisdictional boundary of India due to nature of shared cloud SaaS, thereby posing risk to the data safety and security. In this regard, Indian Computer Emergency Response Team (CERT-in) has issued an advisory for Financial Sector organizations. The advisory has been forwarded to SEBI for bringing the same to the notice of financial sector organization. The advisory is enclosed at Annexure A of this circular.

For details: https://www.sebi.gov.in/legal/circulars/nov-2020/advisory-for-financial-sector-organizations-regarding-software-as-a-service-saas-based-solutions_48081.html

SEBI in News

- **Fund raising via capital markets drops 31% to ₹75,230 cr in September(November 4, 2020)**

Companies garnered over ₹75,000 crore from capital markets in September, a decline of 31% from the preceding month, with private placement of debt instruments continuing to be the most preferred route for financing business. The funds were mopped up mainly for business expansion plans, loan repayments and working capital requirements.

For details:

<https://www.livemint.com/market/stock-market-news/fund-raising-via-capital-markets-drops-31-to-rs-75-230-cr-in-september-11604484135681.html>

❖ Indirect Tax

Customs

- **Scheme for Rebate of State Levies (RoSL) – Circular No. 49/2020 (November 03, 2020)**

Government had notified the scheme for RoSL to mitigate the incidence of State VAT and other State taxes on export of garments and made-ups. The erstwhile RoSL scheme which was in operation till March 06, 2019 has been replaced by the Rebate of State and Central Taxes and Levies (RoSCTL) scheme. The remaining RoSL rebate is to be granted by DGFT in the form of electronic duty credit scrips. This will be on the lines of scrips issued under RoSCTL scheme. These scrips can be utilized for payment of duties of Customs and Central Excise. The scrips issued under the RoSL scheme will be freely transferable.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-49-2020.pdf>

❖ **Banking and Insurance**

- **Banks place curbs on free cash deposits, withdrawals per month (November 4, 2020)**

While public sector lender Bank of Baroda on Tuesday decided to withdraw latest change in services changes on cash deposits and withdrawals “in the light of the current Covid-related situation”, banks across the board have restricted free cash deposits and withdrawals, with most allowing only two or five cash transactions per month and putting a service charge beyond this limit. BoB had reduced the number of free cash deposits and withdrawals, from five each per month to three each per month, with no change in the charges for transactions in excess of these free transactions. State Bank of India allows free cash withdrawals only twice in a month for customers keeping an average monthly balance of Rs. 25,000. SBI made the last revision in charges with effect from October 1 this year.

For details :

<https://indianexpress.com/article/business/banking-and-finance/banks-place-curbs-on-free-cash-deposits-withdrawals-per-month-6930778/>

- **IRDAI asks life insurers for expeditious settlement of claims in flood-hit areas (November 4, 2020)**

IRDAI asked life insurance companies to take immediate action for expeditious settlement of claims in flood-affected areas of Andhra Pradesh, Telangana, Maharashtra and Karnataka. As a result of recent havoc created by heavy rainfall and floods, there are reports of loss of human lives and belongings in the affected districts of Andhra Pradesh, Telangana, Maharashtra and Karnataka, it said in a circular. In order to extend every possible facilitation for quick and timely settlement of life insurance claims, it asked the insurers to nominate a senior-level official for acting as a nodal officer in the state. The officer would liaise with the state administration to facilitate identification of policyholders among the deceased due to floods.

For details:

<https://www.financialexpress.com/money/insurance/irdai-asks-life-insurers-for-expeditious-settlement-of-claims-in-flood-hit-areas/2121181/>

❖ **Insolvency Law**

• **Insolvency**

The insolvency law committee and a group of ministers are considering various amendments to the four-year-old Insolvency and Bankruptcy Code (IBC), some of which are likely to be introduced in the upcoming Winter Session of Parliament, a senior government official told Business Standard. The issues being taken up on priority by the committee, set up by the Ministry of Corporate Affairs (MCA), include introducing a pre-packaged scheme for corporate insolvencies, a special framework for micro, small and medium enterprises (MSMEs), and steps to reduce the delay in admission and disposal of cases.

For details:

https://www.business-standard.com/article/economy-policy/pre-packaged-scheme-special-rules-for-msmes-in-amendments-to-ibc-120110500010_1.html

❖ **Terminology for Today**

• **Sun Outage**

A situation in which certain satellite signals are blocked (or altered) due to the position of the sun in between the satellite and the Earth. Therefore, in most situations when a sun outage is due to occur, trading at the affected stock exchanges is halted until the outage is over.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	41340.16 (+724.02)
Nifty 50	12120.30 (+211.80)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.69	87.05	97.04	.712

Prepared by Directorate of Academics

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

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इष्टार्थं कुरु। तृणान् न च्छेद।

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Info Capsule

Friday
November 06, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• 48th National Convention of Company Secretaries (November 05, 2020)

The ICSI is organising 48th National Convention of Company Secretaries on December 17-19, 2020 at Amber Convention Centre, Indore, Madhya Pradesh on the theme "Governance: From Grassroots to Global".

For details:

<https://www.icsi.edu/home/48-national-convention/>



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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 Circulars

• Enhancement of Overseas Investment limits for Mutual Funds (November 05, 2020)

In partial modification to clause 1(b) of SEBI Circular dated September 26, 2007 and clause 2 of SEBI circular dated April 08, 2008, SEBI has enhanced the investment limits per Mutual Fund as follows-

1. Mutual Funds can make overseas investments subject to a maximum of US \$ 600 million per Mutual Fund, within the overall industry limit of US \$ 7 billion.
2. Mutual Funds can make investments in overseas Exchange Traded Fund (ETF(s)) subject to a maximum of US \$ 200 million per Mutual Fund, within the overall industry limit of US \$ 1 billion.

Mutual Funds shall report the utilisation of overseas investment limits on monthly basis, within 10 days from end of each month. The format for reporting is enclosed at Annexure A to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-enhancement-of-overseas-investment-limits-for-mutual-funds_48090.html

Securities Appellate Tribunal Order

• In the matter of Reliance Industries Ltd &Ors. (November 5, 2020)

The Securities Appellate Tribunal (SAT) has directed Reliance Industries Ltd (RIL) to make payment of the disgorged amount of Rs. 447.27 Crore, along with simple interest calculated at the rate of 12% p.a. with effect from November 29, 2007 till the actual date of payment to SEBI within 60 days from the date of this Order, while dismissing an appeal filed by the company against the SEBI order dated March 24, 2017.

SEBI vide its order dated March 24, 2017 had barred RIL and other entities from dealing in equity derivatives in the futures and options segment for a period of one year, directly or indirectly, for allegedly indulging in fraudulent trades in Reliance Petroleum Ltd (RPL) in 2007. SEBI had also directed RIL to disgorge the amount.

For details:

http://sat.gov.in/english/pdf/E2020_J02017120.PDF

❖ **Direct Tax**

- **Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10BB for Assessment Year 2016-17 and subsequent years - [Circular No. 19 Dated November 03, 2020]**

The Central Board of Direct Taxes hereby directs that the belated applications in filing of Form No. 10BB

- For years prior to A.Y. 2018-19 - the Commissioners of Income-tax are authorized to admit such applications for condonation of delay and all such applications shall be disposed of by 31.03.2021.
- where there is delay of upto 365 days in filing Form No. 10BB for Assessment Year 2018-19 or for any subsequent Assessment Years, the Commissioners of Income-tax are hereby authorized to admit such belated applications of condonation of delay and decide on merits.

The Commissioners of Income-tax shall, while entertaining such belated applications in filing Form No. 10BB, satisfy themselves that the applicant was prevented by reasonable cause from filing such application within the stipulated time.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_19_2020.pdf

❖ **Indirect Tax**

Customs

- **Policy and Guidelines for setting up of Inland Container Depots (ICDs), Container Freight Stations (CFSs) and Air Freight Stations (AFSs) – Circular No. 50/2020 (November 05, 2020)**

The new policy takes in to account the present capacity, future growth potential and addresses the identified regulatory and logistics concerns associated with the hard and soft infrastructure of ICDs/CFSs/AFSs in India. The approval and notification of all new ICD/CFS, including existing and new MMLPs will be processed in consonance with the national logistics action plan.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-50-2020.pdf>

❖ **Pronouncement**

November 05, 2020	M/s Arihant Unitech Realty Projects Limited (Appellant)	NCLAT
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If the 'explanation' offered does not seemed mala fide, utmost consideration must be given to a Litigant/Suitor to condone the delay.

Fact of the case

In the Matter of: Scheme of Amalgamation of Arihant Unitech Realty Projects Limited with North Town Estates Private Limited.

The Appellant/unlisted Public Limited Company has preferred the instant Company Appeal in respect of the order dated February 13, 2020, passed by the NCLT, Chennai bench who had dismissed the petition for condonation of delay of 201 days filed by the Appellant Company.

The Appellant Company submitted that it had duly complied with the directions of the Tribunal, in convening and holding meeting of equity shareholders and unsecured creditors. Further, in the said meetings, the 'Equity Shareholders' and 'Unsecured Creditors' of 'Transferor' and 'Transferee' Company unanimously approved the 'Resolution' approving the Scheme of Amalgamation. The prime plea of the Appellant is that the 'Scheme of Amalgamation' is formulated in the best interest of the Shareholders, Employees, Creditors and other Stakeholders of the 'Transferor' and 'Transferee' Company and as a result thereof, they should not be deprived of the benefits under the scheme, if the delay in filing the petition was not condoned.

Judgment

The NCLAT observed that in case of 'Condonation of Delay', the Tribunal is to adopt lenient/liberal view of course, based on the facts and circumstances of given case. Further, the very approach of the Tribunal should be pragmatic and justice oriented. It is well settled principle in Law that if the 'explanation' offered does not seemed mala fide, utmost consideration must be given to a Litigant/Suitor to condone the delay.

Hence, the NCLAT held that in the present case Appellant had come out with reasons that the delay in filing the Company Petition was not an act wantonly and that the delay was due to their pre-occupation with internal compliance and closure of audit/accounts, and that the said reasons ascribed by the Appellant Company is not mala fide. Therefore, to prevent an 'Aberration of Justice' and to 'Secure the Ends of Justice' the impugned order passed by the NCLT, Chennai bench is set aside and the instant Appeal is allowed.

For details:

<https://nclat.nic.in/Useradmin/upload/16124595335fa40993175d4.pdf>

❖ **Banking and Insurance**

• **Co-Lending by Banks and NBFCs to Priority Sector (November 05, 2020)**

Based on the feedback received from the stakeholders and to better leverage the respective comparative advantages of the banks and NBFCs in a collaborative effort, it has been decided to provide greater operational flexibility to the lending institutions, while requiring them to conform to the regulatory guidelines on outsourcing, KYC, etc. The primary focus of the revised scheme, rechristened as “Co-Lending Model” (CLM), is to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11991&Mode=0>

❖ **Terminology for Today**

GI Tag:

A geographical indication or GI is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. The GI tags are issued as per the Geographical Indications of Goods (Registration and Protection) Act, 1999 by the Geographical Indication Registry. Darjeeling tea became the first GI tagged product in India.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	41893.06 (+552.90)
Nifty 50	12263.55 (+143.25)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
74.2677	87.1799	96.2594	.7119

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Monday
November 09, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Schedule of Online Doubt Clearing Classes for students appearing in December 2020, Examination (November 08, 2020)

The ICSI has announced the schedule for Online Doubt Clearing classes commencing from November 10, 2020 to November 16, 2020 for the following subjects:

- a) Financial and Strategic Management [Module-II- Executive Programme (N/S)]
- b) Corporate Funding & Listings in Stock Exchanges [Module III- Professional Programme (N/S)]

For details:

https://www.icsi.edu/media/web_modules/Financial_and_Strategic_Management.pdf

https://www.icsi.edu/media/web_modules/Corporate_Funding_&_Listings_in_Stock_Exchanges.pdf



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❖ **Securities Law & Capital Markets**

SEBI Circulars

• **Investor Grievance Redressal Mechanism (November 6, 2020)**

In order to further strengthen the Investor Grievance Redressal Mechanism, SEBI has issued clarification to its circular dated August 11, 2010, February 09, 2011, and September 26, 2013 where it has clarified that Stock Exchange shall ensure that the investor complaints shall be resolved within 15 working days from the date of receipt of the complaint. Additional information, if any, required from the complainant, shall be sought within 7 working days from the date of receipt of the complaint. Stock Exchange shall maintain a record of all the complaints addressed/redressed within 15 working days from the date of receipt of the complaint/additional information.

For details : https://www.sebi.gov.in/legal/circulars/nov-2020/investor-grievance-redressal-mechanism_48105.html

• **Introduction of “Flexi Cap Fund” as a new category under Equity Schemes (November 6, 2020)**

In order to give more flexibility to the mutual funds, a new category named “Flexi Cap Fund”, an open ended dynamic equity scheme will be available which require such schemes to invest minimum 65 per cent of the total assets in equity & equity related instruments, across large cap, mid cap and small cap stocks. For easy identification by investors and in order to bring uniformity in names of schemes for a particular category across Mutual Funds, the scheme name shall be the same as the scheme category. Mutual Funds have the option to convert an existing scheme into a Flexi Cap Fund subject to compliance with the requirement for change in fundamental attributes of the scheme.

For details: https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-introduction-of-flexi-cap-fund-as-a-new-category-under-equity-schemes_48108.html

- **Norms regarding holding of liquid assets in open ended debt schemes & stress testing of open ended debt schemes (November 6, 2020)**

In order to augment the liquidity risk management framework for all open ended debt schemes, it has been decided that w.e.f. February 01, 2021, all open ended debt schemes (except Overnight Fund, Liquid Fund, Gilt Fund and Gilt Fund with 10 year constant duration) shall hold at least 10% of their net assets in liquid assets. Further, it has also been decided to mandate all open ended debt schemes (except overnight scheme) to conduct stress testing w.e.f. December 01, 2020. AMC shall stipulate the guidelines to carry out stress testing for the aforementioned debt schemes.

For details : https://www.sebi.gov.in/legal/circulars/nov-2020/circular-on-norms-regarding-holding-of-liquid-assets-in-open-ended-debt-schemes-and-stress-testing-of-open-ended-debt-schemes_48110.html

- **Outsourcing of activities, Business Continuity Plan (BCP) and Disaster Recovery (DR) and Cyber Security and Cyber Resilience framework - Limited Purpose Clearing Corporation (LPCC) (November 6, 2020)**

SEBI in its Board meeting held on September 29, 2020 permitted setting up of a LPCC for clearing and settling repo transactions in debt securities. For the purpose of execution of repo in corporate bonds, LPCC shall enter into necessary agreements with the Stock Exchanges where it proposes to offer clearing / settlement of repo transactions and their associated Clearing Corporations for continuity purposes.

The framework governing the outsourcing activities by the LPCC and the framework governing arrangements with existing Clearing Corporations for the purpose of BCP and DR, and Cyber Security are annexed to the circular.

For details : https://www.sebi.gov.in/legal/circulars/nov-2020/outsourcing-of-activities-business-continuity-plan-and-disaster-recovery-and-cyber-security-and-cyber-resilience-framework-limited-purpose-clearing-corporation_48106.html

❖ **Intellectual Property Rights (IPR) Laws**

- **The Patents (2nd Amendment) Rules, 2020 (November 04, 2020)**

The Ministry of Commerce and Industry has notified the Patents (2nd Amendment) Rules, 2020 to further amend the Patents Rules, 2003. The Amendment is brought under Rule 7 which prescribes the fees for grant of patents in which sub- rule 3 has been substituted to provide that in case an application processed by a natural person or startup or small entity is fully or partly transferred to a person other than a natural person, startup or small entity, the difference, if any, in the scale of fees between the fees charged from the natural person, startup or small entity and the fees chargeable from the person other than a natural person, startup or small entity in the same matter, shall be paid by the new applicant with the request for transfer.

For details:

http://www.ipindia.nic.in/writereaddata/Portal/Images/pdf/Patents_2nd_Amendment_Rules_2020.pdf

❖ **Arbitration Law**

NITI Aayog seeks public feedback on its Draft for Discussion on Designing the Future of Dispute Resolution: The ODR Policy Plan for India (November 09, 2020)

Highlights of the Discussion Paper:

- Online Dispute Resolution (ODR) refers to the use of technology to resolve disputes. However, merely integration of technology in the dispute resolution processes (such as virtual scheduling) is not ODR. The use of technology to actually resolve disputes (such as video conferencing and digital circulation of files) can constitute as ODR. ODR is also more than just e-ADR for it can include the resolution of disputes through automated dispute resolution or AI/ML tools.
- ODR holds immense potential to improve the dispute resolution experience through intelligent decision support systems, smart negotiation tools, automated resolution, and machine learning. ODR also offer multi-door dispute resolution through tailored processes for specific parties and their dispute
- The benefits to ODR include: Dispute resolution is cost effective, it is more convenient and faster, since travel is not required, it increases the accessibility to justice and strives for a better dispute resolution experience by focusing on arriving at mutually beneficial agreements, it removes unconscious bias and it can also improve India's ranking on 'enforcement of contracts' in the Ease of Doing Business rankings.
- India, though in its nascent stages of ODR development, has shown early promise in ODR integration at all three levels - the Judiciary, Government and the private sector. Some of the early developments have come to be of great value during the unexpected COVID-19 induced lockdown where the functioning of brick and mortar courts and dispute resolution bodies came to be severely restricted.
- Draft for Discussion on Designing the Future of Dispute Resolution: The ODR Policy Plan for India covers such as origin, benefits, international experience, present status in India, challenges faced in adoption of ODR and recommendation for implementation of ODR in phased manner.
- The NITI Aayog Expert Committee on ODR recommends for Increase access to digital infrastructure, Increase digital literacy, Reduce digital divide, Up-skill neutrals and train future professionals, Strengthen paralegal services within communities, Encourage growth in the private sector and also recommends for Strengthen existing legislative framework on Alternative Disputes Resolution processes in India.
- ODR has immense potential to provide a new dimension to the dispute resolution ecosystem in India. ODR can help in promotion of legal health in the country, the avoidance of disputes, the containment of disputes and the resolution of those disputes that knock on the doors of the judiciary. To extract all of the benefits that ODR has to offer, there is a need for a deep percolation of technology in the society and the expanding use of Internet and digital tools.

For details :

<https://niti.gov.in/sites/default/files/2020-10/Draft-ODR-Report-NITI-Aayog-Committee.pdf>

❖ **Banking and Insurance**

- **Indian economy is expected to be on normal by next fiscal: SBI Chairman Dinesh Khara (November 07, 2020)**

Dinesh Khara, Chairman, State Bank of India on Saturday said that the Indian economy is expected to be on normal course by early next fiscal even while the investment demand from corporate might take some time to pick up.

For details:

<https://www.thehindubusinessline.com/money-and-banking/indian-economy-is-expected-to-be-on-normal-course-by-early-next-fiscal-dinesh-khara/article33047785.ece>

❖ **Terminology for today****Rebalancing**

Rebalancing is a standard practice in any portfolio. It is the process of bringing the stocks and bonds back to the desired percentages. In order to rebalance the portfolio one may sell some stocks and reinvest that money in bonds, or invest new money in bonds to bring the portfolio back to the original balance.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	42597.43 (+704.37)
Nifty 50	12461.05 (+197.50)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.0535	87.5159	97.2026	.7152

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Info Capsule

Tuesday
November 10, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• Preliminary Enrollment Status: December 2020 Session of Examination (November 9, 2020)

For ascertaining the Preliminary Enrollment Status for December 2020 Session of Examination, students are requested to access the following link.

<https://smash.icsi.in/Scripts/Enrollment/Admin/PreliminaryEnrStatus.aspx>



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❖ MCA Initiative

• Extension of LLP Settlement Scheme, 2020 (November 9, 2020)

MCA vide General Circular dated November 09, 2020 has extended the date w.r.t. applicability to defaulting LLP under LLP Settlement Scheme, 2020, from August 31, 2020 to November 30, 2020. Accordingly, any defaulting LLP is now permitted to file belated documents, which were due for filing till **November 30, 2020** in accordance with the provisions of LLP Settlement Scheme, 2020.

Further, MCA provided that if a statement of Account and Solvency for the financial year 2019-2020 has been signed beyond the period of six months from the end of financial year but not later than November 30, 2020, the same shall not be deemed as non-compliance.

For details:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.37_09112020.pdf

❖ Securities Laws & Capital Markets

Securities Appellate Tribunal Order

• In the matter of Prabhat Dairy Limited (PDL) & Ors. (November 9, 2020)

Securities Appellate Tribunal (SAT) quashed SEBI's order directing PDL to deposit Rs 1,292.46 Crore and directed the company 'PDL' to deposit Rs 500 crore in a separate escrow account within 10 days and to provide all the necessary information and documents to the forensic auditor. Further, it was directed that SEBI shall process the delisting application under the Delisting Regulations and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and pass appropriate orders within six weeks.

For details:

http://sat.gov.in/english/pdf/E2020_J02020413_1.PDF

SEBI in News

• **RailTel gets SEBI's go-ahead to float Rs. 700-crore IPO (November 9, 2020)**

State-owned RailTel Corporation of India Ltd has received SEBI's go-ahead to raise Rs.700 crore through an initial share-sale. The initial public offer (IPO) is entirely an offer-for-sale through which the government will offload 8.66 crore equity shares, according to draft papers filed with SEBI.

For details :

https://www.business-standard.com/article/companies/railtel-corporation-gets-sebi-s-go-ahead-to-float-rs-700-crore-ipo-120110901128_1.html

❖ **International Business**

• **Gold plunges 4% as stocks jump on Covid-19 Vaccine Euphoria (November 9, 2020)**

Gold slumped more than 4% on November 9, 2020 as news of the first successful late-stage Covid-19 vaccine trials prompted investors to dump safe-haven bullion and flock to riskier assets instead.

For details:

<https://timesofindia.indiatimes.com/business/international-business/gold-plunges-4-as-stocks-jump-on-covid-19-vaccine-euphoria/articleshow/79133638.cms>

❖ **Direct Tax**

• **The Central Board of Direct Taxes extended the Income Tax exemption available under the LTC cash voucher scheme to employees of state governments, state-owned enterprises and private sector (PIB Dated October 29, 2020)**

In order to provide the benefits to other employees (i.e. non-central government employees), the Central Board of Direct Taxes has provided similar income-tax exemption for the payment of cash equivalent of LTC fare [subject to maximum of Rs 36,000 per person as deemed Leave Travel Concession (LTC) fare per person Round Trip] to the non-Central Government employees also subject to certain condition. Non-central government employees include employees of state governments, public sector enterprises, banks and private sector. The conditions listed out by the CBDT for availing the tax exemption under the LTC cash voucher scheme require the employee to spend a sum equal to three times of the value of the deemed LTC fare on purchase of goods / services which carry a GST rate of 12% or more from GST registered vendors / service providers through digital mode between October 12, 2020 to March 31, 2021 and obtains a voucher indicating the GST number and the amount of GST paid. The employees have to exercise an option for the deemed LTC fare in lieu of the applicable LTC in the Block year 2018-2021.

For details:

<https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/870/Press-Release-IT-Exemption-for-payment-of-deemed-LTC-dated-29-10-2020.pdf>

❖ **Indirect Tax****Customs**

- **Extension of levy of ADD on imports of “Carbon Black used in rubber applications” – Notification No. 34/2020 – Customs (ADD) (November 9, 2020)**

This Notification seeks to amend notification No. 54/2015-Customs (ADD), dated November 18, 2015 to extend the levy of ADD on imports of “Carbon Black used in rubber applications” originating in or exported from China PR and Russia, for a further period upto and inclusive of December 31, 2020.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd34-2020.pdf>

❖ **Terminology for Today****Economic Profit or Loss**

An economic profit or loss is the difference between the revenue received from the sale of an output and the costs of all inputs used, as well as any opportunity costs. In calculating economic profit, opportunity costs and explicit costs are deducted from revenues earned.

❖ **Market Watch**

Capital Market	
S & P BSE Sensex	43277.65 (+680.22)
Nifty 50	12631.10 (+170.05)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.9258	87.8805	97.4041	.7141

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Info Capsule

Wednesday
November 11, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Ministry of Corporate Affairs

- **MCA further extended the tenure of office of NCLT Acting President Shri BSV Prakash Kumar, Member (Judicial) (November 10, 2020)**

The term of office of Shri BSV Prakash Kumar, Member (Judicial), as Acting President, NCLT is further extended for a period of one month with effect from November 5, 2020 or until a regular President is appointed or until further orders, whichever is earliest.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223027.pdf>

- **The Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020 (November 10, 2020)**

MCA has amended the provisions of the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The amendment *inter-alia* inserted the definition of “**electronic mode**” and also included other pertinent provisions w.r.t. electronic mode.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223030.pdf>



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❖ Securities Laws & Capital Markets

- **Consultation Paper on the Applicability and role of the Risk Management Committee (November 10, 2020)**

The SEBI has placed the Consultation Paper on the Applicability and role of the Risk Management Committee on its website for public comments. The comments may be sent to SEBI in the prescribed format latest by December 10, 2020.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/nov-2020/consultation-paper-on-the-applicability-and-role-of-the-risk-management-committee_48142.html

- **Settlement Order in respect of Nishat Shailesh Gupte in the matter of Insider Trading in the scrip of United Spirits Limited ('USL') (November 10, 2020)**

Applicant 'Nishat Shailesh Gupte', has settled his case with Rs 45.23 lakh towards settlement charges to SEBI and agreeing to comply with two "non-monetary terms" in a case related to violation of SEBI (Prohibition of Insider Trading) Regulations, 2015. Certain entities allegedly traded in the scrip of USL on the basis of Unpublished Price Sensitive Information (UPSI) and Nishat Shailesh Gupte, being an insider, had communicated the said UPSI to the said entities. The settlement order comes after Nishat Shailesh Gupte filed an application with the SEBI proposing to settle the matter without admitting and denying the alleged violation of Insider Trading norms.

For details:

https://www.sebi.gov.in/enforcement/orders/nov-2020/settlement-order-in-respect-of-nishat-shailesh-gupte-in-the-matter-of-insider-trading-in-the-scrip-of-united-spirits-limited_48140.html

❖ **Indirect Tax**

Goods and Service Tax

- **CBIC notifies the date of furnishing of returns – Notification No. 81/2020 – Central Tax (November 10, 2020)**

In exercise of the powers conferred by clause (b) of sub-section (2) of section 1 of the Finance (No. 2) Act, 2019, the Central Government appoints November 10, 2020, as the date on which the provisions of section 97 of the Act shall come into force.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223034.pdf>

- **CGST (Thirteenth Amendment) Rules 2020 – Notification No. 82/2020 – Central Tax (November 10, 2020)**

CBIC notified the Central Goods and Services Tax (Thirteenth Amendment) Rules, 2020. The notification seeks to prescribe the Form and manner of furnishing details of outward supplies. The amendment said that all the registered person except Special provision for payment of tax by supplier of OIDAR required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in FORM GSTR-1 for the month or the quarter, as the case may be, electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner. Form and manner of furnishing details of outward supplies will be enforced from January 01, 2021.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223036.pdf>

Customs

- **ADD on imports of flax fabrics – Notification No. 35/2020 – Customs (ADD) (November 10, 2020)**

This Notification seeks to impose Anti-Dumping Duty on flax fabrics (having flax content of more than 50%) imported from China and Hong Kong for a period of 5 years.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-add2020/csadd35-2020.pdf>

❖ **Terminology for today**

- **Bootstrapping**

Where a business funds its growth purely through personal finances and revenue from the business.

❖ **Banking and Insurance**

- **Govt okays Rs. 5,500 crore equity infusion into Punjab & Sind Bank (November 10, 2020)**

Public sector Punjab & Sind Bank (PSB) said that the government has okayed infusion of Rs. 5,500 crore capital into the bank in lieu of preferential allotment of shares. The bank is in receipt of letter dated November 10, 2020 from the Ministry of Finance regarding sanction to infuse an amount of Rs.5,500 crore, it said in a regulatory filing.

For details:

<https://www.livemint.com/industry/banking/govt-okays-rs-5-500-crore-equity-infusion-into-punjab-sind-bank-11605025667452.html>

- **FM Sitharaman sets out bank account-Aadhaar linking deadline (November 11, 2020)**

Union Finance Minister Nirmala Sitharaman asked all banks to ensure all bank accounts are Aadhaar-seeded by March 31, 2021 and linked with PAN cards wherever necessary.

For details:

<https://indianexpress.com/article/business/banking-and-finance/fm-sitharaman-sets-out-bank-account-aadhaar-linking-deadline-7046831/>

❖ **Competition Law**

- **Amazon Charged With Antitrust Violations by European Regulators (November 10, 2020)**

European Union regulators brought antitrust charges against Amazon, saying the online retail giant broke competition laws by unfairly using its size and access to data to harm smaller merchants that rely on the company to reach customers.

For details:

<https://www.nytimes.com/2020/11/10/business/amazon-eu-antitrust.html>

- **Google under CCI Lens Yet Again. This Time For Its Payment App (November 10, 2020)**

India's competition regulator has found prima facie merit in allegations made earlier this year that Google is abusing its dominant position in the UPI payments market. The Competition Commission of India has also expressed concern over the pre-installation and prominence of Google Pay on Android smartphones. It has directed its investigation wing to examine Google's conduct in both these market. The informant complained to CCI that Google mandatorily asks developers to use its payment system while charging users for apps and downloads from the Google Play Store. Further, if users buy goods or services via an app on Play Store, developers have to facilitate the transaction via Google Play In-App Billing.

For details:

<https://www.bloombergquint.com/law-and-policy/google-under-cci-lens-yet-again-this-time-for-its-payment-app>

❖ **Pronouncements**

October 10, 2020	<i>Omega Icehill Pvt. Ltd. & Ors. (Appellants) vs. Anil Agarwal (Respondent)</i>	NCLAT
------------------	--	-------

Fact of the Case

The Appellant Company was formed as a joint venture company. The Respondent herein, filed Company Petition before the NCLT, New Delhi Bench under Section 241 read with Section 242 of the Companies Act, 2013 against the acts of oppression and mismanagement committed by 2nd to 4th Appellant to oust the Respondent from the position of Managing Director of the 1st appellant company. The Respondent submitted that he is the First Director and Promoter of the Appellant company and it is trite law that removal of the First Director from the management of the company is an act of oppression. Further, it was stated that the Appellants also violated the terms of agreement which states that each group will have two members. After hearing, the NCLT allowed the waiver application and allowed the applicant to file company petitioner under Section 241 read with Section 242 of the Companies Act, 2013 as it requires a detailed enquiry into the matter complained of.

Being aggrieved the Appellants have filed this present appeal. The Appellants stated that the Respondent was acting against the interest of 1st Appellant for quite some time which was adversely affecting the performance of the company.

Judgement

The NCLAT observed that, it is not disputed that the Respondent is member of Appellant No.1 company and holding 0.04% shareholding. It is also not disputed that the consent affidavit of his family were filed with the Rejoinder before the NCLT. Thus, the Respondent's wife and his daughters has given affidavits to the Respondent in order to protect their rights and interest in the company in which they own shares. It is on this basis the affidavits given by the wife of Respondent and his daughters who holds shares in the company is a valid consent within the meaning of Section 244(2) of the Companies Act, 2013. In these circumstances, it is held that this is one of the exceptional and compelling circumstances, which merit the application for waiver. Thus the NCLAT upheld the order of NCLT and dismissed the present appeal.

For details:

<https://nclat.nic.in/Useradmin/upload/14418565745faa59c6a8ae5.pdf>

❖ **Market Watch**

Capital Market		Reference Rate (https://www.fbil.org.in/#/home)			
S & P BSE Sensex	43593.67 (+316.02)	INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
Nifty 50	12749.15 (+118.05)	74.2116	87.7829	97.8208	.7067

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Info Capsule

Thursday
November 12, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ICSI

• 48th National Convention of Company Secretaries

The Institute in alignment with the futuristic goals of expanding the scope of good governance globally has themed the 48th National Convention of Company Secretaries at Governance: From Grassroots to Global. The Convention is scheduled to be held at Amber Convention Centre, Indore during 17-19 December, 2020. Given the ongoing scenario and the guidelines issued by the Ministry of Home Affairs, limited number of members would be able to participate at the Convention in person, accordingly, the Institute has made arrangements for participation by the members, students and other stakeholders on the virtual platform from the point of view of safety and comfort of their homes and offices. Today being the last day for availing the early bird offer, we earnestly urge upon you to register for the National Convention at the weblink:

<https://tinyurl.com/48NationalConvention>

<https://tinyurl.com/48NC-VirtualMode>



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❖ Business and Economic News

Announcement of Aatmanirbhar Bharat Package 3.0 by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman to support Indian economy in fight against COVID-19 (November 12, 2020)

Hon'ble Finance Minister Smt. Nirmala Sitharaman while addressing in a press conference highlighted the progress on some key points of Atmanirbhar Bharat 1.0 and Atmanirbhar Bharat 2.0. After the success of the first two legs of Atmanirbhar Bharat, Finance Minister today announced 12 new schemes under Atmanirbhar Bharat 3.0. Some of the key highlights are as under:

- Launch of a guarantee credit for supporting stressed sectors. To be utilized for 100% guarantee collateral free additional credit at capped interest rates to entities in 26 stressed sectors identified by Kamath Committee plus health care sector with credit outstanding of above Rs 50 crore and up to Rs 500 crore as on 29.02.2020.
- Aatmanirbhar Bharat Rozgar Yojana being launched to incentivise creation of new employment opportunities during COVID19 recovery. Every EPFO registered organisations – if they take in new employees or those who had lost jobs between March 01, 2020 & September 30, 2020 will get benefit.
- PM Awaas Yojana-Urban (PMAY-U) - Rs 18,000 crore will be provided for PMAY-U over the 2020-21 budget estimates through additional allocation.
- Current five-year Productivity Linked Incentive (PLI) Scheme extended to ten more sectors. Total allocation of Rs 1.46 lakh crore. Special focus to draw businesses away from China.
- Earnest money deposit (EMD) and performance security on government tenders relaxed by reducing locking up of capital by December 31, 2020.

- Rs 900 crore grant to the Department of Biotechnology for COVID-19 vaccine research.
- NIIF Strategic Opportunities Fund has set up a debt platform comprising an NBFC Infra Debt Fund and NBFC Infra Finance Company. Rs 3,000 crore will be released to Exim Bank for promotion of project exports through lines of credit (LOC) under the IDEAS scheme.

<https://economictimes.indiatimes.com/news/economy/policy/jobs-tax-relief-for-home-buyers-and-a-message-for-china-who-got-what-in-nirmala-sitharamans-12-point-stimulus-3-0/articleshow/79186360.cms>

Presentation of details under Aatmanirbhar Bharat Package 3.0 to support Indian economy in fight against COVID-19 as announced by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman is available at :

<https://static.pib.gov.in/WriteReadData/userfiles/MOF.pdf>

❖ **Insolvency**

- **NCLT orders Arcelor Mittal to pay ₹1,300 crore to SREI Infrastructure (November 11, 2020)**

The National Company Law Tribunal (NCLT) has directed Arcelor Mittal Nippon Steel India to pay ₹1,300 crore to SREI Infrastructure for using the slurry pipeline during the insolvency period. In a 322-page order, NCLT said the usage charges of slurry pipeline for running the corporate debtor (Essar Steel) as a going concern during CIRP (Corporate insolvency resolution process) of the corporate debtor are IRP (insolvency resolution process) cost.

For details:

<https://www.thehindubusinessline.com/companies/essar-steel-nclt-orders-arcelormittal-to-pay-1300-crore-to-srei-infrastructure/article33077162.ece>

❖ **Economic Laws**

- **Foreign Contribution (Regulation) (Amendment) Rules, 2020 (November 10, 2020)**

Ministry of Home Affairs vide its notification G.S.R. 695(E) dated the 10th November, 2020 issued the Foreign Contribution (Regulation) (Amendment) Rules, 2020 further to amend the Foreign Contribution (Regulation) Rules, 2011.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223040.pdf>

❖ **Indirect Tax**

Goods and Services Tax

- **Extension of due date of furnishing Form GSTR -1 – Notification No. 83/2020 – Central Tax (November 10, 2020)**

The time limit for furnishing the details of outward supplies in FORM GSTR-1 on monthly basis has been extended to 11th day of the month succeeding the month and due date of furnishing quarterly GSTR-1 has been extended to 13th day of the month succeeding the quarter. This notification shall come into force with effect from January 01, 2021.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-83-central-tax-english-2020.pdf>

- **Class of persons under proviso to section 39(1) – Notification No. 84/2020 – Central Tax (November 10, 2020)**

Taxpayers have the option to file their Form GSTR – 1 according to their turnover in the preceding financial year. A registered person whose aggregate turnover crosses five crore rupees during a quarter in a financial year shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.

For details : <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-84-central-tax-english-2020.pdf>

- **Special procedure for making payment of 35% as tax liability in first two months – Notification No. 85/2020 – Central Tax (November 10, 2020)**

The Central Government, hereby notifies the registered persons, notified under proviso to sub-section (1) of section 39 of CGST Act, who have opted to furnish a return for every quarter or part thereof, as the class of persons who may, in first month or second month or both months of the quarter, follow the special procedure such that the said persons may pay the tax due under proviso to sub-section (7) of section 39 of the said Act, by way of making a deposit of an amount in the electronic cash ledger equivalent to 35% of the tax liability paid by debiting the electronic cash ledger in the return for the preceding quarter where the return is furnished quarterly; or the tax liability paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the return is furnished monthly.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-85-central-tax-english-2020.pdf>

- **Rescission of earlier Notification – Notification No. 86/2020 – Central Tax (November 10, 2020)**

Central Government has rescinded the notification No. 76/2020-Central Tax, dated October 15, 2020 regarding due dates of filing of Form GSTR – 3B for the period from October, 2020 to March 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-86-central-tax-english-2020.pdf>

- **Extension of due date for furnishing Form GSTR ITC - 04 - Notification No. 87/2020 - Central Tax (November 10, 2020)**

The time limit for furnishing the declaration in FORM GST ITC-04 has been extended, in respect of goods dispatched to a job worker or received from a job worker, during the period from July, 2020 to September, 2020 till November 30, 2020. This notification shall be deemed to have come into force with effect from October 25, 2020.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-87-central-tax-english-2020.pdf>

- **E-invoicing for the taxpayers having aggregate turnover exceeding Rs. 100 Crores - Notification No. 88/2020 - Central Tax (November 10, 2020)**

Central Government has made E-invoicing mandatory from January 01, 2021 for every taxpayer (other than SEZ unit) whose aggregate turnover exceeds Rs. 100 Crores in any of the financial year from 2017 - 18.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-88-central-tax-english-2020.pdf>

- **Provisions relating to Quarterly Return Monthly Payment Scheme - Circular No. 143/13/2020 (November 10, 2020)**

As a trade facilitation measure and in order to further ease the process of doing business, the GST Council in its 42nd meeting held on October 05, 2020, had recommended that registered person having aggregate turnover up to five crore rupees may be allowed to furnish return on quarterly basis along with monthly payment of tax, with effect from January 01, 2021.

For details: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_143_11_2020.pdf

❖ Market Watch

Capital Market	
S & P BSE Sensex	43357.19 (-236.48)
Nifty 50	12690.80 (-58.35)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.2529	87.7704	98.4311	.705

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November 13, 2020

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❖ Latest @ ICSI

- **Download Admit Card for CSEET scheduled to be held on November 21, 2020 (November 11, 2020)**

All eligible candidates are requested to download their admit card for Company Secretary Executive Entrance Test (CSEET) scheduled to be held on November 21, 2020 by accessing the following link.

For details:

<https://admitcardbuilder.azurewebsites.net/app/E2223KF6351/>

- **Online Doubt Clearing Classes by ICSI for students appearing in December, 2020 Examination**

ICSI is conducting doubt clearing classes for December, 2020 Examination in respect of the following Papers:

Financial and Strategic Management (Executive Programme, New Syllabus, Module-II)

For details:

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

Corporate Funding & Listings in Stock Exchanges (Professional Programme, New Syllabus, Module-III)

For details:

https://www.icsi.edu/media/webmodules/Corporate_Funding_&_Listings_in_Stock_Exchanges.pdf



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❖ Securities Laws & Capital Markets

SEBI Circulars

- **Monitoring and Disclosures by Debenture Trustee(s) (November 12, 2020)**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Debenture Trustees) Regulations, 1993 mandates issuers to submit information/ documents to Debenture Trustee(s). In order to enable debenture trustee(s) to discharge its obligations in respect of listed debt securities, the debenture trustee(s) shall undertake independent periodical assessment of the compliance with covenants or terms of the issue of listed debt securities including for 'security created'. The provisions of this circular shall come into force w.e.f. quarter ended December 31, 2020 for listed debt securities.

For details: https://www.sebi.gov.in/legal/circulars/nov-2020/monitoring-and-disclosures-by-debenture-trustee-s-_48159.html

SEBI Orders

- **In respect of Mr. M. Srinivasa Reddy (November 12, 2020)**

SEBI imposed a penalty of Rs. 50 lakh on Mr. M. Srinivasa Reddy, M.D. of Farmax India Limited (FIL) in a matter related to manipulation in issuance of global depository receipts (GDRs) by the company. Mr. M. Srinivasa was part of the fraudulent scheme and arrangement of FIL in executing the scheme of financing its own GDR issue thus violated Section 12A(a),(b) and (c) of the SEBI Act read with Regulations 3(a),(b),(c) and (d) and 4(1) of SEBI Prohibition of Fraudulent and Unfair Trade Practices Regulations 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/nov-2020/adjudication-order-in-respect-of-m-srinivasa-reddy_48160.html

- **In the matter of Delisting of Equity Shares of Vishva Vishal Engineering Limited (November 12, 2020)**

SEBI has granted exemption to the Vishva Vishal Engineering Limited ('VVEL') from requirement to comply with the minimum public shareholding norms (MPS) and permit the company, to delist, subject to the conditions as prescribed under the order. The company vide its application dated May 5, 2020 had applied to SEBI seeking exemption / relaxation from the requirements of complying with the MPS norms and the dematerialization of promoters' shareholding, so as to enable the company to make an application for voluntary delisting and to follow the norms as provided under regulation 7 of the Delisting Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/nov-2020/order-in-the-matter-of-delisting-of-equity-shares-of-vishva-vishal-engineering-ltd_48164.html

- ❖ **Banking and Insurance**

- **IRDAI extends dispensation for physical signatures of life insurers' customers till March 31, 2021 (November 12, 2020)**

The Insurance Regulatory and Development Authority of India (IRDAI) extended the exemption given to life insurers to obtain customer's consent without requiring signatures on the hard copy of the proposal forms to March 31, 2021. In the wake of the covid-19 pandemic and the social distancing norms, the regulator in August had allowed companies to obtain customers' consent through electronic means on the proposal form till December 31, 2020.

For details:

<https://www.livemint.com/insurance/news/irdai-extends-dispensation-for-physical-signatures-of-life-insurers-customers-till-march-11605190067056.html>

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4284&flag=1

- ❖ **Terminology for Today**

- **Mortgage Backed Security (MBS)**

A mortgage-backed security (MBS) is an investment similar to a bond that is made up of a bundle of home loans bought from the banks that issued them. Investors in MBS receive periodic payments similar to bond coupon payments.

❖ Indirect Tax

Goods and Services Tax

• Auto-populated Form GSTR 3B for the taxpayers (November 11, 2020)

GSTN has earlier introduced Form GSTR-2B, a static statement with details of ITC available for a tax period, for the benefit of taxpayers. GSTR-2B is an auto-drafted Input Tax Credit (ITC) statement generated for every recipient, on the basis of the information furnished by their suppliers, in their respective Form GSTR-1 & 5 and Form GSTR-6 filed by ISD. In continuation of the return linkage project, GSTN has now introduced auto-populated Form GSTR-3B in PDF format, for benefit of the taxpayers.

For details: <https://www.gst.gov.in/newsandupdates/read/410>

• Due dates for filing of Form-GSTR 3B (November 12, 2020)

Due dates for filing of Form GSTR-3B for the Tax Periods from October, 2020 till March, 2021 are as under:

Sl No.	Taxpayers with aggregate turnover (PAN based) in the previous financial year	And Taxpayers having principal place of business in the State/ UT of	Due date of filing of Form GSTR 3B, from October, 2020 till March, 2021
1.	More than Rs. 5 Crore	All States and UTs	20th day of the following month
2.	Up to Rs. 5 Crore	States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana and Andhra Pradesh, the Union territories of Daman and Diu, Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	22nd day of the following month
3.	Up to Rs. 5 Crore	States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	24th day of the following month

For details: <https://www.gst.gov.in/newsandupdates/read/413>

❖ International Business

• Nissan's \$95 million suit against Carlos Ghosn begins in Japan (November 13, 2020)

Proceedings in a \$95 million lawsuit brought by Japanese car giant Nissan against its former chairman Carlos Ghosn began Friday in a court near Tokyo. Nissan filed the suit against Ghosn in February and is seeking 10 billion yen over what it said were "years of his misconduct and fraudulent activity".

For details:

https://economictimes.indiatimes.com/news/international/business/nissans-95-million-suit-against-carlos-ghosn-begins-in-japan/articleshow/79204957.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ Market Watch

Capital Market	
S & P BSE Sensex	43443.00 (+85.81)
Nifty 50	12719.95 (+29.15)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
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Monday
November 16, 2020

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Vice President : CS Nagendra D. Rao

❖ International Business

- **G20 strikes historic debt pact to help poorer states hit by Covid (November 13, 2020)**

G20 countries have agreed for the first time on a common framework for restructuring government debt, in anticipation of the coronavirus crisis leaving some poorer nations struggling to pay and in need of relief.

For details:

<https://timesofindia.indiatimes.com/business/international-business/g20-strikes-historic-debt-pact-to-help-poorer-states-hit-by-covid/articleshow/79215068.cms>



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❖ Securities Laws & Capital Markets

SEBI Circulars

- **Non-compliance with provisions related to continuous disclosures (November 13, 2020)**

SEBI lays down a uniform structure for imposing fines for non-compliance with continuous disclosure requirements in order to ensure effective enforcement of continuous disclosure obligations by issuers of listed Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares (NCRPS) or Commercial Papers. The Stock Exchanges shall levy fine and take action in case of non-compliances with continuous disclosure requirements by issuers of listed Non-Convertible Debt Securities and/ or NCRPS and/ or Commercial Papers as specified in Annexure I and Annexure II of this circular respectively. The provisions mentioned in this circular shall come into force for compliance period ending on or after December 31, 2020.

For details :

https://www.sebi.gov.in/legal/circulars/nov-2020/non-compliance-with-provisions-related-to-continuous-disclosures_48171.html

SEBI in News

- **SEBI suspends Anugrah Stock & Broking Private Limited (November 13, 2020)**

SEBI ordered scam-tainted Anugrah Stock Broking to stop its operations and barred its promoters Paresh Kariya and Sadhana Kariya from the market. The orders came on the back of an NSE forensic report that found the broker to have violated several market rules including misstatement about debtors and creditors, shortfall of client funds and securities, payments made to clients having running debit balance and discrepancies in maintenance of records. Anugrah Stock Broking is suspended till the completion of the enquiry proceedings.

For details: https://www.sebi.gov.in/enforcement/orders/nov-2020/order-in-the-matter-of-anugrah-stock-and-broking-private-limited_48174.html

<https://timesofindia.indiatimes.com/business/india-business/sebi-suspends-anugrah-broking/articleshow/79217234.cms>

❖ **Banking and Insurance**

• **Discontinuation of Returns/Reports under Foreign Exchange Management Act, 1999 (November 13, 2020)**

The attention of Authorised Persons is invited to the Master Direction - Reporting under Foreign Exchange Management Act, 1999 dated January 01, 2016, as amended from time to time, and other reporting related instructions issued by the Reserve Bank of India.

With a view to improve the ease of doing business and reduce the cost of compliance, the existing forms and reports prescribed under FEMA, 1999, were reviewed by the Reserve Bank. Accordingly, it has been decided to discontinue the 17 returns/reports.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11994&Mode=0>

❖ **Insolvency and Restructuring**

• **Insolvency and Bankruptcy Code**

The Insolvency and Bankruptcy Board of India amends Regulations relating to corporate insolvency proceedings (November 13, 2020)

The Insolvency and Bankruptcy Board of India (IBBI) notified the following Amendment Regulations, 2020 today:

- The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2016
- The Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2020
- The Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2020.

For details: <https://ibbi.gov.in/uploads/press/2020-11-13-220539-eb6yn-50277513bcc7d94092ce4ee2b6591aad.pdf>

❖ **Labour Laws**

• **Union Labour Ministry Notifies Draft Rules under the Code on Social Security 2020 (November 15, 2020)**

Union Ministry of Labour and Employment has notified the draft rules under the Code on Social Security, 2020 on 13.11.2020 inviting objections and suggestions, if any, from the stakeholders. Such objections and suggestions are required to be submitted within a period of 45 days from the date of notification of the draft rules.

The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganized Workers, Gig Workers and Platform Workers.

For Draft Notification of Rules (Hindi & English) under Code on Social Security please click on the Link

For details : <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1673004>

❖ Business and Economic News

- **Norms allowing Indian companies to list on select foreign bourses to be notified soon (November 16, 2020)**

Indian companies will soon be able to get listed directly on foreign stock exchanges as the Ministry of Corporate Affairs is set to notify regulations allowing Indian companies to get listed in select foreign jurisdictions, according to government officials.

Currently, Indian companies are able to list their shares on foreign stock exchanges through Global Depository Receipts and American Depository Receipts. As part of the Companies Amendment Act, 2020 passed in the monsoon session of Parliament, an enabling provision was brought by the government allowing certain companies to list securities in foreign jurisdictions.

For details:

<https://indianexpress.com/article/business/norms-allowing-indian-companies-to-list-on-select-foreign-bourses-to-be-notified-soon-7052846/>

❖ Terminology for today

Special Purpose Vehicle

A special purpose vehicle, also called a special purpose entity (SPE), is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.

❖ Market Watch

Capital Market	
S & P BSE Sensex	43637.98 (+194.98)
Nifty 50	12780.25 (+60.30)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.67	88.15	98.00	0.712

Prepared by Directorate of Academics

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

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Info Capsule

Tuesday
November 17, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

• Brochure for the 48th National Convention of Company Secretaries (November 14, 2020)

The ICSI has published detailed brochure for the 48th National Convention of Company Secretaries scheduled to be held on 17-19 December, 2020 at Amber Convention Centre, Indore.

For details:

<https://www.icsi.edu/media/webmodules/ICSI-48NC-Brochure.pdf>

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



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❖ Direct Tax

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (Removal of Difficulties) Order, 2020 (November 13, 2020)

It is provided that notwithstanding anything contained in the provisions of sub-section (1), (2), (4) & (5) of section 127 of Finance (No. 2) Act, 2019 (23 of 2019) and the rules, namely the Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019, made under the said Act, for the persons in the Union Territory of Jammu and Kashmir and Union Territory of Ladakh, in respect of cases eligible under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, as on January 15, 2020, following timelines are hereby provided:-

- The last date for filing of the declaration referred to in sub-rule (1) of rule 3 of the said rules shall be on or before December 31, 2020;
- The last date of issuance of statement under sub-section (1) and (4) of section 127 of the said Act shall be on or before January 31, 2021;
- The last date of issuance of estimate of amount payable under sub-section (2) of section 127 of the said Act shall be on or before January 15, 2021;
- The last date for payment of dues by declarant under sub-section (5) of section 127 of the said Act shall be on or before February 28, 2021.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223074.pdf>

❖ **Banking and Insurance**

- **No need to sign life insurance proposal form: IRDAI extends new rule to all products till March 31, 2021 (November 16, 2020)**

The insurance industry is riding the digital wave with the regulator allowing the life insurance companies to obtain the customer's consent through electronic means, i.e., without requiring a wet signature on the proposal form. Insurance Regulatory and Development Authority of India (IRDAI) had earlier allowed insures to dispense with physical signatures on proposal forms in the case of pure risk products only till December 31, 2020, but now business solicited by individual Insurance Agents and Insurance Intermediaries under all products till March 31, 2021 can be done without requiring wet signatures on the proposal form.

For details:

<https://www.financialexpress.com/money/insurance/no-need-to-sign-life-insurance-proposal-form-irdai-extends-new-rule-to-all-products-till-march-31-2021/2129340/>

❖ **Insolvency Laws**

- **Mistakes Committed by Insolvency Professionals in Conduct of Corporate Insolvency Resolution Process (November 13, 2020)**

The IBBI and Insolvency Professional Agencies (IPAs) have come across some mistakes being committed by some of the IPs in conduct of CIRPs. These mistakes are costs to the CD and the economy, and often amount to contravention of provisions of the law. Most of these are probably unintentional and can be avoided with a little more care and diligence. This communication lists out a few such mistakes with a hope that these will not be committed by any IP, pre-empting the IBBI/IPA to initiate any disciplinary action.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/33ce2304913fe3f24b7bd9b22b631b37.pdf>

❖ **FEMA**

- **Ministry of I&B requests compliance of policy on FDI in digital media within a Month (November 16, 2020)**

Union Ministry of Information and Broadcasting (I&B) has issued a public notice on November 16, 2020 to facilitate eligible entities involved in uploading/streaming of news and current affairs through digital media, to comply with the decision of Union Government on September 18, 2019, which had permitted 26% FDI under Government approval route.

In a Public Notice, available on its website, the Ministry has laid out the detailed actions to be undertaken by eligible entities to comply with this decision, within a month.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1673142>

❖ **Pronouncement**

November 12, 2020	<i>M/s Vintage Hotels Private Limited & Ors. (Appellants) vs. Mr. Ahamed Nizar Moideen Kunhi Kunhimahin (Respondent)</i>	NCLAT
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The Discretionary Power of Directors to refuse ‘Transfer of Shares’ is not to be resorted to in a deliberate or arbitrary fashion but in good faith. The Directors are to give due weightage to shareholder’s right to transfer his share.

Fact of the case

The Respondent herein is an existing shareholder and also one of the Directors of the First Appellant Company. It transpires from the contents of affidavit of ‘T. Shahul Hameed’ dated 10.04.2015 that he was holding 20,000 equity shares of Rs. 100/- each of the First Appellant Company and that he had transferred the aforesaid shares to ‘Mr. Ahamed Nizar Moideen Kunhi Kunhimahin’ (Respondent) and further that the ‘Share Certificates’ were lost and were not in his possession. The deponent of ‘Affidavit’ (T. Shahul Hameed) had averred that he had made a request to the First Appellant Company to issue duplicate share certificates in lieu of the original share certificates in the name of Respondent.

The First Appellant Company through its communication dated 30.10.2015 had rejected the request for transfer of the shares in the name of Respondent. The Appellants submitted that in the ‘Share Transfer Form’ SH-4 furnished by the Respondent, the distinctive number of the share was not mentioned, corresponding certificate numbers were not mentioned, witness signature and name was not found, and the Transferee’s details were not mentioned. Further, the ‘Allotment Letter’ or the ‘Original Share Certificate’ was not enclosed with the share transfer form.

Respondent contended that the Board of Directors had not issued the duplicate share certificates even though request was made by the transferor.

Judgment

The NCLAT observed the discretionary power to refuse ‘Transfer of Shares’ is not to be resorted to in a deliberate, arbitrary, fraudulent, ingenious or capricious fashion. As a matter of fact, the Directors are to exercise their discretion in good faith and to act in the interest of company. The Directors are to give due weightage to shareholder’s right to transfer his share.

When the original share certificates were lost, it is not prudent for the Appellants to insist upon the production of original share certificates in question to give effect to the transfer of shares. Thus, the NCLAT, upheld the order passed by the NCLT, Bengaluru bench and dismissed the present appeal.

For details:

<https://nclat.nic.in/Useradmin/upload/13552131505facd18e80339.pdf>

❖ Finance Commission

• Finance Commission Presents Copy of its Report to the Prime Minister (November 16, 2020)

The Chairman and Members of the 15th Finance Commission on November 16, 2020 presented a copy of the Commission's report for the period 2021-22 to 2025-26, to the Prime Minister Shri Narendra Modi. The Commission had submitted its report to the President of India on November 04, 2020. Chairman Shri N K Singh along with Members of the Commission, Shri Ajay Narayan Jha, Prof. Anoop Singh, Dr. Ashok Lahiri and Dr. Ramesh Chand along with Secretary to the Commission Shri Arvind Mehta were present at the presentation.

The Report will be placed on the Table of the House along with Explanatory Memorandum by way of ATR as prescribed under the Constitution.

For details

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1673205>

❖ Terminology for Today

• Spinoff

When a company creates a new independent company by selling or distributing new shares of its existing business, this is called a spinoff. A spinoff is a type of divestiture. A company creates a spinoff expecting that it will be worth more as an independent entity. A spinoff is also known as a spin out or starbust.

❖ Market Watch

Capital Market	
S & P BSE Sensex	43952.71(+314.73)
Nifty 50	12874.20 (+93.90)

Reference Rate (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.67	88.15	98.00	0.71

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इष्टार्थं कुरु। तृप्तये ह्युपायः।

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Wednesday
November 18, 2020

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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/>



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❖ 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		Reference Rate (https://www.fbil.org.in/#/home)			
S & P BSE Sensex	44180.05 (+227.34)	INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
Nifty 50	12938.25 (+64.05)	74.5087	88.3261	98.4623	.7129

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