

DAILY NEWS UPDATES

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NSE approaches SAT to gain access to co-location revenue

- In 2016, SEBI asked NSE to transfer co-location revenue to a separate account which is restricted and NSE cannot use over Rs. 6k crores
- Amid 2013 & 2015, SEBI probed this matter and passed an order against NSE citing certain brokers were given preferential access & made unfair gains.
- NSE approached SAT, SAT had put aside SEBI order and asked NSE to disgorge Rs. 687 crores to SEBI.
- NSE since then is still depositing co-location revenue in separate account. But it has approached SAT to allow NSE to use such restricted revenue.
- NSE has asked to put a stay order on deposit of co-location revenue in separate account.

SEBI frees Aptech Ltd without any monetary penalty

- SEBI, in GDR scam, has let go of Aptech without any monetary penalty quoting that it received 'powers to adjudicate' after the company worked out its scheme as the reason.
- This is one of the rare cases where SEBI has let go of a company without any penalty in a scam.
- The GDR issue was done on November 6, 2003 and the transfer of funds from Banco Bank to Aptech was completed by Sept 22, 2004. However 'power to adjudicate' under SCRA was not given retrospective effect.
- Hence the penalties can only be levied prospectively. The present proceedings are not maintainable.



SEBI objects on technical member missing at SAT

- SAT comprises of judicial & technical members.
- K G Nair's 5 year term as Technical Member ended after being appointed in 2016. Post that SAT passed orders without presence of Technical Member.
- One of the experts say that SEBI's stand is not justifiable as Section 15L & 15R of SEBI Act show that it is desirable to have technical member on board of SAT and not a mandate.
- SAT is the only working Tribunal currently. Earlier SEBI took a stand when one technical member was acting as officiating presiding officer.
- So its current stand is contradictory to its own.

liAS say that Indian companies slow in reshuffling board of director

- Indian Investor Advisory Services said that Indian Companies should refresh boards to meet regulatory timeline.
- In India the practice is to have 1/3rd or 1/2 as IDs whereas globally the practice is to have at least 50% as IDs.
- Where other Indian Inc is rethinking to have fresh members on board, TATA Group decided that none of its listed companies will have individual IDs for more than 10 years.
- As per report of liAS, presence of women on board remains low. Also 14% companies are non-compliant with board composition, of which maximum are PSUs.
- The total number of IDs have reduced in 2020 compared to 2019 & 2018, citing reduction in IDs in PSUs as major reason.