

Info Capsule

Tuesday
February 02, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ NCLT/NCLAT News

Government to strengthen the framework of NCLT : Finance Minister (February 01, 2021)

Hon'ble Finance Minister Nirmala Sitharaman while presenting Union Budget for 2021-22 said that "to ensure faster resolution of cases, NCLT framework will be strengthened, e-courts system shall be implemented and alternate methods of debt resolution and special framework for MSMEs shall be introduced".

For details:

<https://economictimes.indiatimes.com/news/economy/policy/government-to-strengthen-the-framework-of-nclt-finance-minister/articleshow/80634701.cms>



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Company Secretaries of India

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❖ Latest @ ICSI

• Press Release : The ICSI welcomes the Union Budget 2021 (February 01, 2021)

The ICSI welcomes Budget 2021, unveiled by the Hon'ble Finance Minister Smt. Nirmala Sitharaman on February 01, 2021.

Giving his insight on the Budget, CS Nagendra D. Rao, the President, ICSI, said "Highlighting on the revival of the Indian Economy post Covid-19 pandemic, the reform measures of Budget 2021, focussing on the six pillars of the economy *vis a vis*, Health and Wellbeing, Physical & Financial Capital and Infrastructure, Inclusive Development for Aspirational India, Reinvigorating Human Capital, Innovation and R&D, Minimum Government and Maximum Governance are perfectly aligned with the Government's AtmaNirbhar Bharat initiative".

For details:

https://www.icsi.edu/media/webmodules/ICSI_welcomes_Union_Budget_2021.pdf

• Revised Guidance Notes on Meetings of the Board of Directors and General Meetings (January 29, 2021)

The ICSI has released Revised Guidance Notes on Meetings of the Board of Directors and General Meetings amended upto December 31, 2020 and the same are available on the website for reference of all stakeholders.

For details:

https://www.icsi.edu/media/webmodules/GN_on_Meetings_of_BOD_3122020.pdf

https://www.icsi.edu/media/webmodules/GN_on_General_Meetings_31122020.pdf

❖ **Ministry of Corporate Affairs**

• **The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2021 (February 01, 2021)**

The MCA vide notification dated February 01, 2021 has amended Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, allowing scheme of merger or amalgamation under section 233 of the Companies Act, 2013 (fast track mergers through relatively simpler procedure) between any of the following class of companies, namely:-

(i) two or more start-up companies; or

(ii) one or more start-up company with one or more small company.

For details:

<http://egazette.nic.in/WriteReadData/2021/224868.pdf>

• **The Companies (Specification of Definitions Details) Amendment Rules, 2021 (February 01, 2021)**

The MCA has eased the Compliance requirement of Small companies by revising their definition under Companies Act, 2013 by increasing their thresholds for paid up capital from “not exceeding Rs. 50 Lakhs” to “not exceeding Rs. 2 Crore” and turnover from “not exceeding Rs. 2 Crore” to “not exceeding Rs. 20 Crore”.

For details:

<http://egazette.nic.in/WriteReadData/2021/224862.pdf>

❖ **Terminology for today**

Re-appropriations (Union Budget Terminology)

Appropriation means keeping aside funds for a specific purpose – fund allocation by the Legislature to meet the expenditure of various government departments as Grants. Re-appropriation is to transfer money approved to one department (detailed head) to another.

❖ **Market Watch**

Stock Market Indices as on 02.02.2021	
S & P BSE Sensex	49797.72 (+1197.11)
Nifty 50	14647.85 (+366.65)

Foreign Exchange Rates as on 01.02.2021 <i>(https://www.fbil.org.in/#/home)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.0189	100.3586	88.5812	.6975

❖ **Securities Laws and Capital Markets**

SEBI Circular

- **Revision of Monthly Cumulative Report (MCR) (January 29, 2021)**

SEBI has modified MCR format pursuant to introduction of a new scheme category and to bring transparency in reporting of segregated portfolios, from January 2021 onwards. Under the modified MCR, Asset Management Companies (AMCs) will have to disclose about the number of segregated portfolios created as well as net assets under management (AUM) in such segregated portfolios.

For details:

https://www.sebi.gov.in/legal/circulars/jan-2021/circular-on-revision-of-monthly-cumulative-report_48927.html

SEBI News

- **Budget 2021-Finance Minister Nirmala Sitharaman proposes unified Securities Market Code; gold exchanges to be set up (February 1, 2021)**

Finance Minister Nirmala Sitharaman, in her budget speech proposed to consolidate the provisions of the SEBI Act 1992, Depositories Act 1996, Securities Contracts (Regulation) Act, 1956, and Government Securities Act, 2007 into a unified Securities Market Code. The finance minister also proposed the creation of gold exchanges in the country. For this purpose, SEBI will be notified as the regulator. The FM also proposed to introduce an investor charter as a right for investors in all financial products for investor protection.

For details:

<https://www.moneycontrol.com/news/business/budget-2021-fm-nirmala-sitharaman-proposes-unified-securities-market-code-gold-exchanges-to-be-set-up-6425071.html>

❖ **Indirect Taxes**

Goods and Services Tax

- **GST Revenue collection for January 2021 almost touches Rs. 1.20 lakh crore (January 31, 2021)**

The GST revenues during January 2021 are the highest since introduction of GST and has almost touched the Rs. 1.2 lakh crore mark, exceeding the last month's record collection of Rs. 1.15 lakh crore. GST revenues above Rs. 1 lakh crore for a stretch of last four months and a steep increasing trend over this period are clear indicators of rapid economic recovery post pandemic. The government has settled Rs. 24,531 crore to CGST and Rs. 19,371 crore to SGST from IGST as regular settlement.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1693779>

Customs

- **Notification to prescribe effective rate of BCD on IT and Electronic items - Notification No. 03/2021 - Customs (February 01, 2021)**

This notification seeks to further amend notification No. 57/2017-Customs dated June 30, 2017 so as to prescribe effective rate of Basic Customs Duty (BCD) of 2.5% on IT/Electronics items with effect from April 01, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs03-2021.pdf>

- **Exemption to medical devices imported by international organizations and diplomatic missions from the levy of Health Cess - Notification No. 06/2021 - Customs (February 01, 2021)**

This notification seeks to further amend notification No. 08/2020-Customs dated February 02, 2020 so as to exempt the medical devices imported by international organizations and diplomatic missions, from the levy of Health Cess. This notification shall come into force on February 02, 2021.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs06-2021.pdf>

- **Notification to prescribe effective rate of Agriculture Infrastructure and Development Cess - Notification No. 11/2021 - Customs (February 01, 2021)**

This notification seeks to prescribe effective rate of Agriculture Infrastructure and Development Cess for specified goods.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs11-2021.pdf>

Prepared by Directorate of Academics

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

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