

Info Capsule

Wednesday
January 06, 2021

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Business and Economics News

Budget 2021 : Centre set to launch e-platform to sell non-core assets (January 06, 2021)

The government is set to launch an online platform to sell surplus land and properties of public sector undertakings (PSUs), as part of its asset monetisation drive.

For details:

[https://www.business-standard.com/budget/article/budget-2021-centre-set-to-launch-e-platform-to-sell-non-core-assets-](https://www.business-standard.com/budget/article/budget-2021-centre-set-to-launch-e-platform-to-sell-non-core-assets-121010600053_1.html#:~:text=%C2%ABBack-,Budget%202021%3A%20Centre%20set%20to%20launch%20e%2Dplatform,to%20sell%20non%2Dcore%20assets&text=It%20is%20estimating%20that%20this,to%20a%20senior%20governme nt%20official.)

[121010600053_1.html#:~:text=%C2%ABBack-,Budget%202021%3A%20Centre%20set%20to%20launch%20e%2Dplatform,to%20sell%20non%2Dcore%20assets&text=It%20is%20estimating%20that%20this,to%20a%20senior%20governme nt%20official.](https://www.business-standard.com/budget/article/budget-2021-centre-set-to-launch-e-platform-to-sell-non-core-assets-121010600053_1.html#:~:text=%C2%ABBack-,Budget%202021%3A%20Centre%20set%20to%20launch%20e%2Dplatform,to%20sell%20non%2Dcore%20assets&text=It%20is%20estimating%20that%20this,to%20a%20senior%20governme nt%20official.)



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IN PURSUIT OF PROFESSIONAL EXCELLENCE

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❖ Securities Laws and Capital Markets

Adjudication Order

• In respect of five entities in the matter of Edynamics Solutions Ltd (January 5, 2021)

SEBI levied a total penalty of Rs 1.8 crore on Edynamics Solutions Ltd (EDSL) and four individuals for violating securities market norms. In September 2017, the SEBI had issued an interim order against the company and asked the exchange (BSE) to appoint an independent auditor to conduct a forensic audit of EDSL for verification, including its financials, and trace the end-use of funds raised by the company from the public. It was found that despite various correspondences by the forensic auditor and BSE, EDSL failed to furnish the information essential to conduct the exercise of a forensic audit. Also, EDSL had misrepresented the book of accounts to the tune of Rs. 37 crore.

For details:

<https://www.moneycontrol.com/news/business/sebi-imposes-rs-1-8-crore-fine-on-edynamics-solutions-4-individuals-6307971.html>

❖ Terminology for Today

Swiss Challenge

A Swiss Challenge is a method of bidding, often used in public projects, in which an interested party initiates a proposal for a contract or the bid for a project. The government then puts the details of the project out in the public and invites proposals from others interested in executing it.

❖ **Banking and Insurance**

• **Operationalisation of Payments Infrastructure Development Fund (PIDF) Scheme (January 05, 2021)**

The creation of Payments Infrastructure Development Fund (PIDF) was announced on June 05, 2020 with the intention to subsidise deployment of payment acceptance infrastructure in Tier-3 to Tier-6 centres with special focus on North-Eastern States of the country. It envisages creating 30 lakh new touch points every year for digital payments. An Advisory Council (AC), under the Chairmanship of the Deputy Governor, RBI, has been constituted for managing the PIDF will be operational for a period of three years from January 01, 2021 and may be extended for two more years depending upon the progress. PIDF presently has a corpus of ₹345 crore (₹250 crore contributed by RBI and ₹95 crore by the major authorised card networks in the country).

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12009&Mode=0>

• **Introduction of Legal Entity Identifier for Large Value Transactions in Centralised Payment Systems (January 05, 2021)**

The Legal Entity Identifier (LEI) is a 20-digit number used to uniquely identify parties to financial transactions worldwide. It was conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis. LEI has been introduced by the Reserve Bank in a phased manner for participants in the over the counter (OTC) derivative and non-derivative markets as also for large corporate borrowers. It has now been decided to introduce the LEI system for all payment transactions of value ₹50 crore and above undertaken by entities (non-individuals) using Reserve Bank-run Centralised Payment Systems viz. Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12010&Mode=0>

• **IRDAI set to introduce standard products for fire, allied peril risks (January 05, 2021)**

The Insurance Regulatory and Development Authority of India (IRDAI) has decided to introduce standard products covering the risk of fire and allied perils.

General insurers that offer fire and allied perils policies have to mandatorily introduce the same from April 1, 2021, replacing the Standard Fire and Special Perils (SFSP) policy — provided for in the erstwhile All India Fire Tariff (AIFT) 2001.

For details:

https://www.business-standard.com/article/economy-policy/irdai-set-to-introduce-standard-products-for-fire-allied-peril-risks-121010501491_1.html

❖ *Insolvency and Bankruptcy*

Retention of records relating to Corporate Insolvency Resolution Process (January 04, 2021)

Insolvency and Bankruptcy Board of India (IBBI), in its Circular dated January 04, 2021 *inter-alia* directs that:

- i. An IP shall preserve copies of records generated in electronic form for a minimum period of eight years, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the Adjudicating Authority (AA), Appellate Authority or Court, or any matter pending with the Board, whichever is later.
- ii. For records other than (i) above, the IP shall maintain copies for minimum period of three years in physical form, and for minimum period of eight years in electronic form, from the date of completion of the CIRP or the conclusion of any proceeding relating to CIRP, before the Adjudicating Authority (AA), Appellate Authority or Court, or any matter pending with the Board, whichever is later.
- iii. An IP shall preserve the records at a secure place and ensure that unauthorised persons do not have access to the same. For example, he may store copies of records in electronic form with an Information Utility. Notwithstanding the place and manner of storage, the IP shall be under obligation to produce records as may be required under the Code and the Regulations.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/5bb3be107809847f06cf2059f54ff3c8.pdf>

❖ *Market Watch*

Stock Market Indices as on 06.01.2021	
S & P BSE Sensex	48174.06 (-263.72)
Nifty 50	14146.25 (-53.25)

Foreign Exchange Rates as on 05.01.2021 (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1GBP	INR / 1 EUR	INR/ 1 JPY
73.1086	99.4058	89.6979	.7103

Prepared by Directorate of Academics

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

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