

Info Capsule

Friday
January 08, 2021

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ **International Business**

World Bank: More countries in 'deep debt distress' this year (January 7, 2021)

World Bank Group President David Malpass has declared a 'red alert' for countries working to adjust their debt burdens, saying it was necessary to dramatically reduce the burden, especially in poorer countries, according to Reuters news agency.

For more details:

<https://www.breakingbelizene.ws.com/2021/01/07/world-bank-more-countries-in-deep-debt-distress-this-year/>



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❖ **Banking and Insurance**

• **Risk Based Internal Audit (RBIA) Framework – Strengthening Governance arrangements (January 07, 2021)**

In terms of the Guidance Note on Risk-Based Internal Audit issued by RBI, banks, inter alia, are required to put in place a Risk Based Internal Audit (RBIA) system as part of their internal control framework that relies on a well-defined policy for internal audit, functional independence with sufficient standing and authority within the bank, effective channels of communication, adequate audit resources with sufficient professional competence, among others.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12011&Mode=0>

• **SBI raises \$600 million from overseas bond sale at 1.80% coupon (January 07, 2021)**

The nation's largest lender State Bank of India (SBI) on Thursday raised USD 600 million from selling bonds to international investors at a coupon of 1.80 per cent. The 5.5-year issue denominated in US dollars was priced at 140 basis points (bps) over the US treasury, the bank said in a release adding this is the lowest pricing for any Reg S/144a issue from the country with such a maturity.

For details:

<https://indianexpress.com/article/business/banking-and-finance/state-bank-of-india-sbi-raises-usd-600-million-from-overseas-bond-sale-at-1-80-per-cent-coupon-7137072/>

❖ *Securities Laws and Capital Markets*

Adjudication Order

- **In respect of Mayur Developments and Leasings Ltd. (January 7, 2021)**

SEBI imposed a fine of Rs. 10 lakh on Mayur Developments and Leasings Ltd. (Noticee) for its failure to comply with summons issued in HPC Biosciences case. Noticee was asked to furnish certain information related to transfer of funds by HPC from the IPO proceeds, which was relevant for the purpose of investigation. As per SEBI order, noticee failed to submit the information/ documents sought by investigating authority vide summon dated August 4, 2016, which hampered the investigation to ascertain the facts under investigation.

For details

<https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-mayur-developments-and-leasings-ltd-in-the-matter-of-hpc-biosciences-ltd-48685.html>

❖ *Terminology for Today*

Hampel Report

The Report of the Committee, chaired by Sir Ronnie Hampel, to review the implementation of the recommendations of both the Cadbury and Greenbury Committees. The Hampel Report was produced in 1998.

For more details:

www.ecgi.org/codes/documents/hampel.pdf

❖ *Business and Economics News*

- **WhatsApp's latest policy update may further encroach the privacy of users (January 08, 2021)**

WhatsApp's new Terms of Service and privacy policy, which will come into effect on February 8, has asked users to either accept the changes in its Terms of Service and privacy policy or their accounts will be deleted. After getting the permission of user, the mobile phone numbers and all contacts in their address book will be with WhatsApp, which will also know the status message. Further, it will have information about their bank balance with the help of WhatsApp Payment Service.

For details:

<https://zeenews.india.com/india/dna-exclusive-whatsapps-latest-policy-update-may-further-encroach-on-the-privacy-of-users-2334736.html>

- **Digital services tax in India discriminatory: USTR investigation (January 08, 2021)**

India's 2% digital services tax on e-commerce supply discriminates against US companies and is inconsistent with international tax principles, according to a US Trade Representative (USTR) investigation.

For details:

<https://www.tribuneindia.com/news/business/digital-services-tax-in-india-discriminatory-ustr-investigation-195286>

❖ *Market Watch*

Stock Market Indices as on 08.01.2021	
S & P BSE Sensex	48782.51 (+689.19)
Nifty 50	14347.25 (+209.00)

Foreign Exchange Rates as on 07.01.2021 <i>(https://www.fbil.org.in/#/home)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.133	99.3444	90.0467	.7084

❖ Pronouncement

January 05, 2021	<i>Naresh Kumar Poddar vs. Union of India, through Secretary, Ministry of Corporate Affairs and another</i>	Calcutta High Court
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Fact of the case:

A petition was moved by the director of a Private Limited Company challenging his disqualification w.e.f. November 1, 2016 till October 3, 2021 by the impugned notice dated April 7, 2017, due to non-filing of the annual return and financial statement of the company for three financial years.

The legal questions posed in the present case are:

- Whether Section 164(2)(a), as introduced by the 2014 Amendment and the proviso to Section 167(1)(a), as introduced by the 2018 Amendment, are prospective, retrospective or retroactive in nature?
- Whether there is any scope for giving opportunity to the defaulting company or its directors to represent against the disqualification under Section 164, read with Section 167 of the Companies Act, 2013 Act?

Judgment

The Calcutta High Court allowed the writ petition filed by a director and set aside the deactivation of DIN by virtue of the notice dated April 7, 2017. The court observed that, Section 164(2)(a), as introduced by the 2014 Amendment, and the proviso to Section 167(1)(a), as introduced by the 2018 Amendment, to the Companies Act, 2013 are prospective in operation, opining that their retrospective application would be anomalous, absurd, unreasonable and could potentially ruin the economy.

For details:

https://images.assettype.com/barandbench/2021-01/703e395f-a2f7-452d-a610-cf83facf3c08/Naresh_Kumar_Poddar_v_Union_of_India_through_Secretary_Ministry_of_Corporate_Affairs_and_another.pdf

Prepared by Directorate of Academics

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

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