

Info Capsule

Monday
April 12, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

• Important Decisions taken by the Council of the ICSI at its meeting held during March 26-27, 2021 (April 09, 2021)

Several important decisions were taken by the Council of the ICSI at its meeting held during March 26-27, 2021 such as: allowing 10th passed students to provisionally register to CS Executive Entrance Test (CSEET), extension for obtaining mandatory CPE credits for the FY 2020-21 by the members as per ICSI (Continuous Professional Education) Guidelines, 2019 upto June 30, 2021, introduction of "ICSI Award for Best PCS Firm", introduction of Employee Company Secretaries Identification Number (eCSIN) Amnesty Scheme, 2021 etc.

For details:

https://www.icsi.edu/media/webmodules/Important_decisions_taken_by_the_Council_of_the_ICSI_at_its_meeting_held_during_26th_&_27th_March_2021.pdf

• Registration for Samadhan Diwas (April 09, 2021)

The ICSI in its endeavour to provide on the spot solution of the grievances of the trainees and trainers is organising Samadhan Diwas on Thursday April 15, 2021 from 3:00 to 5:00 P.M.

For details:

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



**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)

❖ Insolvency & Bankruptcy

• The Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 (April 09, 2021)

The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 promulgated on April 04, 2021 provides for pre-packaged insolvency resolution process (PPIRP) for corporate debtors classified as micro, small and medium enterprises. The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 (PPIRP Regulations) to enable operationalisation of PPIRP.

The PPIRP Regulations detail the Forms that stakeholders are required to use, and the manner of carrying out various tasks by them as part of the PPIRP. These provide details and manner relating to:

- Eligibility to act as resolution professional, and his terms of appointment;
- Eligibility of registered valuers and other professionals;
- Identification and selection of authorised representative;
- Public announcement and claims of stakeholders;
- Information memorandum;
- Meetings of the creditors and committee of creditors;
- Invitation for resolution plans;
- Competition between the base resolution plan and the best resolution plan;
- Evaluation and consideration of resolution plans;
- Vesting management of corporate debtor with resolution professional;
- Termination of PPIRP.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1710738>

<https://ibbi.gov.in/uploads/legalframework/2021-04-10-182311-5ngd9-0dd40b82af7a770d5e89c0d9e37bdb45.pdf>

- **The Insolvency and Bankruptcy (Prepackaged Insolvency Resolution Process) Rules, 2021 (April 09, 2021)**

The MCA has notified the Insolvency and Bankruptcy (Prepackaged Insolvency Resolution Process) Rules, 2021. These Rules shall be applicable to matters relating to the pre-packaged insolvency resolution process.

For details:

<https://ibbi.gov.in/uploads/legalframework/f75906d8657a51f214785c697d9bb296.pdf>

❖ *International Business*

Bangladesh launches first Green Bond (April 12, 2021)

Bangladesh has approved its first green bond, to finance environmentally-friendly projects including renewables. The near-\$12 million instrument has been floated by NGO the SAJIDA Foundation, which is owned by the Renata Ltd pharmaceuticals and animal health business spun out of the local branch of U.S. giant Pfizer in 1993.

For details:

<https://www.pv-magazine.com/2021/04/12/bangladesh-launches-first-green-bond/>

❖ *Terminology for today*

Blackout Period

A period of time during which insiders are restricted from trading in company stock. Blackout periods are designed to protect executives from unintentionally violating insider trading laws and are specified on a company-by-company basis in a company's insider trading policy. Blackout periods typically occur between the time when material information is known (such as quarterly earnings, a new product launch, or acquisition) and the time when it is released to the public. Trades within the blackout period are prohibited, and trades outside the blackout period (during the "trading window") commonly require approval in advance by the general counsel's office.

❖ *Market Watch*

Stock Market Indices as on 12.04.2021	
S & P BSE Sensex	47883.38 (-1707.94)
Nifty 50	14310.80 (-524.05)

Foreign Exchange Rates as on 09.04.2021 <i>(https://www.geojit.com/currency-futures/rbi-reference-rate)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
74.46	102.35	88.53	.68

❖ Pronouncement

April 08, 2021	Jayamma Xavier (Petitioner) vs. Registrar of Firms (Respondent)	Kerala High Court
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LLP cannot be disqualified from entering into a partnership with an individual or other person.

Fact of the Case

A partnership deed was executed between an individual and an LLP. Registrar of Firms refused registration of the partnership firm on the ground that a LLP cannot be a partner of a firm. This was challenged before the Kerala High Court contending that the LLP is liable to be treated as a person and there cannot be any objection for registering a partnership with an LLP which is a person.

The Respondent has submitted that some of the provisions of the Limited Liability Partnership Act, 2008 are inconsistent with that of the Indian Partnership Act, 1932, pertaining to the liability. According to the respondent, Section 25, 26 and 49 of the Indian Partnership Act, 1932 makes the partners to be jointly and severally liable with all the other partners and also severally liable for the acts of the firm, of which such person is a partner. At the same time, it is stated that under Section 28 of the LLP Act, 2008 the provisions regarding the liability of the partnership firm are restricted to the contents to the LLP agreement i.e., under the LLP Act, the liability of the partner is restricted only to the extent provided in the agreement; such a provision runs contrary to Section 25 and 49 of the Indian Partnership Act. It is also pointed out that under LLP foreign investment is permissible whereas it is not permissible under the Partnership Act.

Issues

The question to be considered is whether LLP can be treated as a person which can be permitted to form a partnership with an individual?

Judgment

The Kerala High Court observed that the partnership deed was executed between an individual and an LLP which is a body corporate having a legal entity and coming within the definition of “person”. The individual liability of the partners of LLP would not be relevant when the LLP itself would have liability independent of the liability of the partners. Therefore, the difference in the provisions under the Partnership Act relating to liability of the firm or the individual partners would not stand in the way of constitution of a partnership with an LLP. Hence, LLP cannot have a disqualification from entering into a partnership with an individual or other person.

For details: https://www.livelaw.in/pdf_upload/jayammaxavierllp-391685.pdf

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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"To be a global leader in promoting
good corporate governance"

ICSI Motto
सत्यं वद। धर्मं चर।
कहाकरे के त्राथ: कहे के के।

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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