

Info Capsule

Thursday
January 14, 2021

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

ICSI Awards for Excellence in Corporate Governance, 2020 (January 13, 2021)

The ICSI has organised the ICSI National Awards for Excellence in Corporate Governance, 2020 which recognises the impeccable performances by Corporates and Professionals in the Corporate Governance arena.

Shri Piyush Goyal, Hon'ble Union Minister for Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution, graced the occasion as the Chief Guest while Hon'ble Mr. Justice A.K. Sikri Former Judge, Supreme Court of India and International Judge, Singapore International Commercial Court, was the Chairman of the Jury for the Awards.

For details:

https://www.icsi.edu/media/web-modules/PR_ICSI AwardsforexcellenceinCG.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)

❖ Ministry of Corporate Affairs

Clarification on spending of CSR funds for Awareness and public outreach on COVID-19 Vaccination programme (January 13, 2021)

In continuation to MCA General Circular No. 10/2020 dated March 23, 2020 wherein it was clarified that spending of CSR funds for COVID19 is an eligible CSR activity, it is further clarified that spending of CSR funds for carrying out awareness campaigns/programmes or public outreach campaigns on COVID-19 Vaccination programme is an eligible CSR activity under item no. (i), (ii) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitization, promoting education, and, disaster management respectively.

The companies may undertake the aforesaid activities subject to fulfilment of Companies (CSR Policy) Rules, 2014 and the circulars related to CSR, issued by the MCA from time to time.

For details:

http://www.mca.gov.in/Ministry/pdf/CSR2021_13012021.pdf

❖ Indirect Tax

Goods and Services Tax

• Amendment 2021 to CGST Rules, 2017 – Notification No. 02/2021- Central Tax (January 12, 2021)

The Government makes the following notification further to amend the notification of the Government of India, Ministry of Finance, Department of Revenue No. 2/2017-Central Tax, dated the June 19, 2017 relating to jurisdiction of Central Tax Officers.

For details:

<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-02-central-tax-english-2021.pdf>

❖ **Securities Laws and Capital Markets**

SEBI Report/Press Release

- **Consultation paper on Role of KYC Registration Agencies (KRAs) / Market Infrastructure Institutions (MIIs) in performing KYC (Know Your Client) of clients in securities market (January 13, 2021)**

In order to achieve multiple objectives of standardizing the KYC process, making the KYC process more robust, avoiding duplication, saving cost to Registered Intermediaries etc., a modified process for KYC in securities market has been envisaged. In this regard, a consultation paper on the proposed role of KYC Registration Agencies (KRAs) / Market Infrastructure Institutions (MIIs) in performing KYC of clients in securities market has been issued by SEBI and public comments on the same have been invited by February 15, 2021.

For details:

https://www.sebi.gov.in/media/press-releases/jan-2021/consultation-paper-on-role-of-kyc-registration-agencies-kras-market-infrastructure-institutions-miis-in-performing-kyc-know-your-client-of-clients-in-securities-market_48751.html

SEBI Notification

- **Notification repealing the SEBI (Central Database of Market Participants) Regulations, 2003 (January 13, 2021)**

SEBI has repealed with immediate effect the SEBI (Central Database of Market Participants) Regulations, 2003 published in Part-III, Section 4 of the Gazette of India, Extraordinary, under notification of the Securities and Exchange Board of India number F. No. SEBI/LE/26/2003 dated the 20th November, 2003.

For details:

<http://egazette.nic.in/WriteReadData/2021/224367.pdf>

SEBI Order

- **Interim Order in the matter of CNBC Awaaz “Stock 20-20” Show co-hosted by Mr. Hemant Ghai (January 13, 2021)**

SEBI has restrained Mr. Hemant Ghai, Ms. Jaya Hemant Ghai and Ms. Shyam Mohini Ghai from buying, selling or dealing in securities and further Mr. Hemant Ghai was directed to cease and desist from undertaking, directly or indirectly, any activity related to giving investment advice, sell or buy recommendations, publishing of research reports etc., related to the securities market, till further directions. It was observed by SEBI that Ms. Jaya and Ms. Shyam Mohini Ghai, (wife and mother, respectively) have undertaken a large number of Buy-Today-Sell-Tomorrow (“BTST”) trades during the Relevant Period in synchronization with the recommendations made in the show co-hosted by Mr. Hemant Ghai which were prima facie in violation of provisions of SEBI Act and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, and they have earned proceeds amounting to Rs. 2,95,18,680/- just through the limited number of trades examined during the Relevant Period.

For details:

https://www.sebi.gov.in/enforcement/orders/jan-2021/interim-order-dated-january-13-2021-in-the-matter-of-cnbc-awaaz-stock-20-20-show-co-hosted-by-mr-hemant-ghai_48743.html

❖ **Banking and Insurance**

• **RBI releases the Financial Stability Report, January 2021 (January 11, 2021)**

The Reserve Bank released the 22nd issue of the Financial Stability Report (FSR), which reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability, and the resilience of the financial system in the context of contemporaneous issues relating to development and regulation of the financial sector. The release of FSR was rescheduled to incorporate the first advance estimates of national income for 2020-21 that were released by the National Statistical Office on January 7, 2021.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50949

• **Reserve Bank constitutes a Working Group on digital lending including lending through online platforms and mobile apps (January 13, 2021)**

Recent spurt and popularity of online lending platforms/ mobile lending apps ('digital lending') has raised certain serious concerns which have wider systemic implications. Against this backdrop, a Working Group (WG) is being set up to study all aspects of digital lending activities in the regulated financial sector as well as by unregulated players so that an appropriate regulatory approach can be put in place.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50961

• **26th Meeting of the FSDC Sub-Committee over Video Conference (January 13, 2021)**

A meeting of the Sub-Committee of the Financial Stability and Development Council (FSDC) was held on January 13, 2021 in Mumbai through video conference. The Sub-Committee reviewed the major developments in the global and domestic economy as well as financial markets that impact financial stability. The Sub-Committee, inter-alia, discussed scope for improvements in insolvency resolution under IBC, utilization of data with the Central KYC Records Registry and changes in the regulatory framework relating to Alternative Investment Funds (AIFs) set up in the International Financial Services Centre (IFSC), among others. The Sub-Committee also reviewed the activities of various technical groups under its purview and the functioning of State Level Coordination Committees (SLCCs) in various states / UTs. The regulators reaffirmed their resolve to be alert and watchful of emerging challenges to financial stability.

For details: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=50963

❖ **Terminology for Today**

Social Responsibility Investment Funds

Mutual funds that cater to investors who value specific social objectives and want to invest only in companies whose practices are consistent with those objectives. Examples include funds that advocate fair labour practices, humanitarianism, environmental sustainability, or the promotion of religious or moral values.

❖ **Pronouncement**

January 07, 2021	In the matter of Josco Jewellers Private Limited	NCLT, Kochi Bench
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The NCLT allowed Reduction of Paid Up Share Capital Structure of Josco Jewellers Private Limited from Rs. 120 Crores to Rs. 1 Crore

Fact of the case

The Petitioner Company had filed a petition under Section 66 of the Companies Act, 2013 against the Registrar of Companies, Kerala seeking reduction of its share capital from Rs. 120 crores to Rs. 1 crore. The decision to reduce the company's share capital was taken subsequent to the transfer of the jewellery retail business to Josco Bullion Traders Private Limited. After a review of the capital structure, the Board of Directors of the Petitioner Company observed that the company's paid up capital was more than the required amount for the existing business of the company and that it would be beneficial for the company to remit back its excess capital by way of reduction of share capital. Therefore, the Board of Directors passed a resolution approving the proposed reduction of share capital. Further, a Special Resolution has also been passed in the Extra Ordinary General Meeting in accordance with Section 66(1) of the Companies Act, 2013.

When the Registrar of Companies was called upon to respond, he submitted that the Regional Director is the competent authority by virtue of the powers delegated to him by the Central Government to decide on the matter. After the Regional Director filed a report giving his approval to the capital reduction, the NCLT proceeded to allow the prayer.

Judgment

The National Company Law Tribunal, Kochi Bench held that since all the requisite statutory procedures have been fulfilled and no objections has been received from any shareholders, the company petition filed for reduction of its share capital is hereby allowed.

For details:

<https://nclt.gov.in/sites/default/files/January2021/final-orders-pdf/CP-06-KOB-2020.pdf>

❖ **Market Watch**

Stock Market Indices as on 14.01.2021	
S & P BSE Sensex	49584.16 (+91.84)
Nifty 50	14595.60 (+30.75)

Foreign Exchange Rates as on 13.01.2021 (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.15	99.37	89.35	.705

Prepared by Directorate of Academics

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

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

ICSI Motto
सत्यं वद। धर्मं चर।
वक्यं तत्रैः प्रकृतैः श्रेयते इत्युक्तेः

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

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