

Info Capsule

Tuesday
January 19, 2021



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)

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Corporate Affairs

Report of the Company Law Committee on Decriminalization of the Limited Liability Partnership Act, 2008 (January 18, 2021)

The MCA has placed on its website, the Report of the Company Law Committee on Decriminalization of the Limited Liability Partnership Act, 2008. This report is in pursuance and continuation of the policy of the Government of the India to decriminalize non-compliances of minor, technical or procedural nature of violations and facilitate and promote ease of doing business and ease of living for law abiding corporates in the country.

Further, public comments/suggestions are hereby invited on the Report of the Company Law Committee on Decriminalization of the Limited Liability Partnership Act, 2008 latest by February 02, 2021 through email at email id: llp.amendment@mca.gov.in

For details:

<http://www.mca.gov.in/Ministry/pdf/Report%20of%20the%20Company%20Law%20Committee%20on%20Decriminalization%20of%20The%20Limited%20Liability%20Partnership%20Act,%202008.pdf>

http://www.mca.gov.in/Ministry/pdf/InvitationNotice_18012021.pdf

❖ Latest @ ICSI

- **New President and Vice President of ICSI for the year 2021 (January 19, 2021)**

CS Nagendra D. Rao elected as President, ICSI & CS Devendra Vasant Deshpande as Vice President, ICSI for the year 2021

For details: <https://www.icsi.edu/home/>

- **Hon'ble Vice President of India, Shri M. Venkaiah Naidu graces the first Hybrid Convocation of ICSI (January 18, 2021)**

The ICSI has organised its first hybrid Convocation on January 18, 2021, for awarding certificates to approximately 3400 Associate Members and 350 Fellow Members of the Institute, for the year 2020.

The Convocation Ceremony was organized in Hyderabad, in the benign presence of Hon'ble Vice President of India, Shri M. Venkaiah Naidu as the Chief Guest. Hon'ble Minister for Home, Prisons and Fire Services, Government of Telangana, Shri Mohammed Mahmood Ali was also present as the Guest of Honour on the occasion. The four Regional Offices of the Institute in Chennai, Kolkata, Mumbai and New Delhi joined the hybrid ceremony virtually.

For details:

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

❖ *Insolvency and Restructuring*

Supreme Court upholds validity of Insolvency and Bankruptcy Code (Amendment) Act, 2020

The Supreme Court on Tuesday upheld the Constitutional validity of the amendments made to the Insolvency and Bankruptcy Code (IBC) in 2020 that mandated a minimum of 100 home buyers to come together to file an insolvency application in the National Company Law Tribunal (NCLT) to trigger the IBC against a defaulting developer.

For details: <https://www.barandbench.com/news/supreme-court-upholds-validity-of-insolvency-and-bankruptcy-code-amendment-act-2020>

❖ *Securities Laws and Capital Markets*

SEBI Adjudication Orders (January 18, 2021)

<i>S. No.</i>	<i>Name of Entity on which penalty is imposed</i>	<i>Alleged Violations</i>	<i>Penalty (in Rs.)</i>
1)	Nicer Green Housing and Infrastructure Developers Limited ('the Company')	The Company and its four directors were engaged in the illegal fund mobilising activity by floating/ sponsoring/ launching, unregistered/ unauthorised Collective Investment Scheme, as defined in the Section 11AA of the SEBI Act.	70 lakh
2)	Fairwealth Securities Limited ('FSL')	FSL Violated the provisions of SEBI circular MIRSD/SE/Cir19/2009 dated December 03, 2009, Clauses 8, 2.4.2, 2.5.5 and 2.6 of SEBI circular SEBI/HO/MIRSD/MIRSD/CIR/P/2016/95 dated September 26, 2016, SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, and Clause A(2) and A(5) of Code of Conduct for Stock Brokers specified in Regulation 9 of SEBI (Stock Brokers) Regulations, 1992 and provisions of SEBI circular no. SMD/SED/CIR/93/23321 dated November 18, 1993.	30 lakh

For details: <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes>

SEBI Order

- **Settlement Order in the matter of trade reversals in the stock options segment of BSE (January 15, 2021)**

SEBI framed a Settlement Scheme in accordance with the provisions of the Settlement Regulations which provided a onetime opportunity for settlement to the entities that have executed reversal trades in the stock options segment of BSE during the period from April 1, 2014 to September 30, 2015 against whom any proceedings are pending. As per the Settlement Order, a total of 1,018 entities have availed the benefit of the Scheme and remitted the specified settlement amount. Further, the details of the applicants and the payments made by them have been provided in the Settlement Order.

For details: https://www.sebi.gov.in/enforcement/orders/jan-2021/settlement-order-in-the-matter-of-settlement-applications-filed-under-the-sebi-settlement-scheme-2020_48772.html

SEBI in News

- **Six suspended debt schemes: Franklin Templeton investors vote for closure (January 18, 2021)**

In a major relief for embattled fund house Franklin Templeton, over 90 per cent of investors have voted in favour of the closure of six suspended debt funds. Investors can now hope to receive ₹9,190 crore accumulated in five cash positive debt schemes. The Supreme Court in its next hearing, scheduled for January 25, will decide on the process for distribution of the cash and liquidation of assets in the schemes.

For details: <https://www.thehindubusinessline.com/markets/stock-markets/six-suspended-debt-schemes-franklin-templeton-investors-vote-for-closure/article33603158.ece>

❖ Market Watch

Stock Market Indices as on 19.01.2021	
S & P BSE Sensex	49398.29 (+834.02)
Nifty 50	14521.15 (+239.85)

Foreign Exchange Rates as on 18.01.2021 (https://www.fbil.org.in/#/home)			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.22	99.3478	88.4122	.7057

❖ **Business and Economics News**

• **Gautam Adani Latest to Sell Stake to Overseas Partner after Mukesh Ambani (January 19, 2021)**

Billionaire Gautam Adani is raising \$2.5 billion from a deal that includes the sale of a minority stake in his renewables business to French energy giant Total SE, a transaction that may help the tycoon cut group debt.

Paris-based Total will acquire 20% of Adani Green Energy Ltd. and a board seat as well as a 50% stake in a portfolio of operating solar assets with 2.35 gigawatts capacity, confirming an earlier report by Bloomberg News. But shares of Adani Green have more than quadrupled in value in the past year in Mumbai, giving the company a market value of about \$20 billion.

For details: <https://www.ndtv.com/business/adani-green-total-deal-news-gautam-adani-sells-stakes-to-overseas-partner-in-mukesh-ambani-style-deal-2354497>

• **Budget 2021: Special window for big-ticket foreign investments likely (January 19, 2021)**

Big-ticket foreign investors looking to invest in India could soon find their proposals getting quick treatment from the government. The Centre is planning to create a special window for strategically important investors such as sovereign wealth funds and pension funds that wish to invest over Rs. 3,000 crore through a single transaction.

For details: https://www.business-standard.com/budget/article/budget-2021-special-window-for-big-ticket-foreign-investments-likely-121011801614_1.html

❖ **Terminology for Today**

Burn Rate

The ratio of shares granted through a company's equity-based compensation plan and the number of shares outstanding (or authorized). Because equity compensation dilutes the ownership interest of shareholders, much attention is paid to the rate at which new shares are issued. Proxy advisory firms have proprietary models that calculate "appropriate" maximum burn rates, but there is no evidence that these models are correct (i.e., maximize shareholder value).

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। इच्छते तेऽहं। श्रेयते। इयं तेऽहं।

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

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