

# Info Capsule

Tuesday  
March 23, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ Intellectual Property Rights Law

**Copyright registration is not compulsory to sue for infringement : Bombay High Court (March 23, 2021)**

Copyright registration is not mandatory to claim reliefs under the Copyright act, the Bombay High Court recently ruled, holding that an earlier decision of a coordinate bench in the case of Dhiraj Dharamdas Dewani vs. Sonal Info Systems Pvt. Ltd. & Ors. was per incuriam (*Sanjay Soya Pvt. Ltd. vs. Narayani Trading Company*).

For details:

<https://www.barandbench.com/news/litigation/copyright-registration-is-not-compulsory-to-sue-for-infringement-bombay->



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

- **Bankrupt Companies after lockdown was imposed due to COVID-19 pandemic (March 22, 2021)**

Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Lok Sabha stated that as per information from Insolvency and Bankruptcy Board of India (IBBI), details for the period from April 01, 2020 to December 31, 2020 of the number of companies declared bankrupt in the country after the lockdown was imposed due to COVID-19 pandemic is as under:

- i. 283 firms were admitted into corporate insolvency resolution process (CIRP).
- ii. 76 CIRPs ended in resolution, 128 CIRPs were closed due to withdrawal/appeal or settlement and 189 CIRPs ended in liquidation.
- iii. 30 corporate persons were dissolved/ sold as a going concern/undergone compromise or arrangement under section 230 of Companies Act, 2013 under liquidation process. Further, 59 corporate persons were dissolved under voluntary liquidation process.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1706640>

- **Sanction for prosecution accorded in 366 cases in violation of CSR provisions (March 22, 2021)**

Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Lok Sabha stated that all CSR related defaults are compoundable. So far, sanction for prosecution has been accorded in 366 cases. Of these, 148 applications for compounding have been made and 75 cases have been compounded.

Giving more information, it is stated that as per input provided by the Indian Institute of Corporate Affairs (IICA), following studies have been conducted:

- Formative research on Corporate Social Responsibility (CSR) implementation under Section 135 of Companies Act, 2013: Coverage and emerging issues; and
- Study on CSR expenditure in 100 tribal and backwards districts of the country.

For details : <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1706638>

- **SFIO investigating 20; RDs investigating 38 cases in misuse of corporate structure/ fraud Financial Year 2020-21 (March 22, 2021)**

The MCA has ordered for investigation and assigned to Serious Fraud Investigation office (SFIO) and Regional Directors (RDs) in the cases where there are allegations of misuse of corporate structure/ fraud, this was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs, in a written reply to a question in Lok Sabha.

For details:<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1706636>

- **1,38,051 new companies registered from April 2020 to February 2021 (March 22, 2021)**

The Minister of State for Finance & Corporate Affairs Shri Anurag Singh Thakur said that 1,38,051 new companies registered in the current Financial Year from April 2020 to February 2021 while 10,113 of Companies have been struck off by invoking the provisions of section 248 of the Companies Act, 2013 from April 2020 to February 2021.

For details:<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1706635>

### ❖ Terminology for today

#### Agile Project Management

Agile project management is an iterative and incremental approach to delivering projects. The approach focuses on breaking down the project into small cycles, known as 'iterations.' These iterations are then prioritized in terms of urgency or importance. There are multiple frameworks associated with agile implementation, Scrum being one of the most popular ones.

### ❖ Market Watch

Stock Market Indices as on 23.03.2021	
S & P BSE Sensex	50051.44 (+280.15)
Nifty 50	14814.75 (+78.35)

Foreign Exchange Rates as on 22.03.2021 ( <a href="https://www.fbil.org.in/#/home">https://www.fbil.org.in/#/home</a> )			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
72.3772	100.2579	86.0493	.6656

## ❖ **Securities Laws and Capital Markets**

### **Press Releases**

- **Trading halt at NSE on February 24, 2021 (March 22, 2021)**

NSE presented its detailed Root Cause Analysis (RCA) before SEBI Technical Advisory Committee (TAC) on March 22, 2021 with regard to the Trading halt at NSE on February 24, 2021. SEBI, after due deliberation, inter alia decided that Market Infrastructure institutions (MIIs) should declare any disruption in critical systems as a disaster within 30 minutes of an incident and take measures to restore operations, including from disaster recovery (DR) sites, within 45 minutes. Earlier, the deadline was two hours for both actions. MIIs shall study the feasibility of intra-day shifting from Primary Site to DR site with a notice of 45 minutes from SEBI. Also, MIIs shall prepare a comprehensive testing plan and build sufficient redundancy in its systems in order to mitigate the impact of any unforeseen technical glitch and to ensure the failure of any sub-system of MIIs would not impact other critical systems of MIIs and continuous functioning of the securities market.

SEBI has issued various measures with a view to further strengthening the systems to ensure faster restoration of operations in case of any Disaster/ Technical Glitch. Also, SEBI has advised the Governing Board of NSE to determine why the NSE management failed to shift NSE's operations from Primary site to DR site within the time frame specified by SEBI and Fix individual responsibilities for the same.

*For details:*

[https://www.sebi.gov.in/media/press-releases/mar-2021/trading-halt-at-nse-on-february-24-2021\\_49603.html](https://www.sebi.gov.in/media/press-releases/mar-2021/trading-halt-at-nse-on-february-24-2021_49603.html)

### **SEBI Circulars**

- **Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Market Infrastructure Institutions (MIIs)**

The SEBI has modified framework for Business Continuity Plan (BCP) and Disaster Recovery Site (DRS) for Stock Exchanges, Depositories and Clearing Corporations which was prescribed in March, 2019 in view of advancement in technology and improved automation of processes. SEBI Circular covers configuration of DRS/NS with Primary Data Centres, DR drills Testing, BCP- DR Policy Document etc.

*For details:*

[https://www.sebi.gov.in/legal/circulars/mar-2021/guidelines-for-business-continuity-plan-bcp-and-disaster-recovery-dr-of-market-infrastructure-institutions-miis\\_49601.html](https://www.sebi.gov.in/legal/circulars/mar-2021/guidelines-for-business-continuity-plan-bcp-and-disaster-recovery-dr-of-market-infrastructure-institutions-miis_49601.html)

- **Clarification on the valuation of bonds issued under Basel III framework**

In a relief for mutual funds, the SEBI eased the implementation of the valuation rule for perpetual bonds, which includes additional tier-1 (AT-1 and tier- II) bonds. SEBI recently issued a circular stating that such bonds should be valued as if their maturity is 100 years which created apprehension in the mutual fund industry that the changes would result in a revaluation of such bonds leading to a spike in yields.

Amending its earlier circular, SEBI has now said that the deemed residual maturity of Basel-III additional tier-1 bonds will be 10 years till 31<sup>st</sup> March 2022. This will be raised to 20 years during 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022 and then to 30 years from 1<sup>st</sup> October 2022 to 31<sup>st</sup> March 2023. The deemed residual maturity of AT-1 bonds will become 100 years, starting April 2023.

*For details:*

<https://www.livemint.com/mutual-fund/mf-news/sebi-eases-valuation-rule-for-perpetual-bonds-11616435862128.html>

- ❖ **Banking and Insurance**

- **No interest on interest lockdown loan moratorium, rules SC; refuses to extend relief (March 23, 2021)**

The Supreme Court of India today ruled in favour of waiving compound interest, i.e., interest on interest during the six-month moratorium announced by the Reserve Bank of India last year. The apex court said that banks will not charge compound interest or penal interest on any amount during the moratorium period for all borrowers.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/no-interest-on-interest-lockdown-loan-moratorium-rules-sc-refuses-to-extend-relief/2218344/>

- **Issuance of Electronic Policies (March 23, 2021)**

In the wake of continuing situation of Covid19 Global Pandemic with all public health measures in place such as hand hygiene and social distancing, and on the basis of feedback received from the Life Insurers expressing difficulties in printing, handling and dispatch of policy documents and the desirability of adopting total digital means of doing business in the interests of policyholders and other stakeholders, the IRDAI has decided to allow another six months i.e. up to September 30, 2021 to issue Policy document to the proposer on their registered email ids.

*For details:*

[https://www.irdai.gov.in/ADMINCMS/cms/whatsNew\\_Layout.aspx?page=PageNo4416&flag=1](https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4416&flag=1)

- **RBI sets up 5-member panel to screen new bank licences (March 23, 2021)**

The Reserve Bank of India (RBI) has set up a five-member committee, headed by former RBI Deputy Governor, for evaluating applications for universal banks and small finance banks.

*For details:*

<https://indianexpress.com/article/business/banking-and-finance/rbi-sets-up-5-member-panel-to-screen-new-bank-licences-7240437/>

- **National Bank for Financing Infrastructure and Development Bill 2021 introduced in the Lok Sabha (March 23, 2021)**

The National Bank for Financing Infrastructure and Development (NaBFID) Bill 2021 introduced in the Lok Sabha says the proposed Development Finance Institution (DFI) will get government guarantee support and direct access to liquidity from the Reserve Bank of India, which would help fund about 7,000 infrastructure projects .

*For details:*

<https://www.telegraphindia.com/business/national-bank-for-financing-infrastructure-and-development-bill-2021-introduced-in-the-lok-sabha/cid/1810339>

## ❖ **Business and Economics News**

- **India proposes alpha-numeric hash to track WhatsApp chat (March 23, 2021)**

The government has proposed that WhatsApp assign an alpha-numeric hash to every message sent through its platform as a solution to break the deadlock over traceability on the messaging app. The hash can travel with the message and in case of any unlawful activity, the originator of the message can be traced without breaking the app's encryption.

*For details:*

[https://economictimes.indiatimes.com/tech/technology/govt-proposes-alpha-numeric-hash-to-track-whatsapp-chat/articleshow/81638939.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/tech/technology/govt-proposes-alpha-numeric-hash-to-track-whatsapp-chat/articleshow/81638939.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

**Prepared by Directorate of Academics**

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