

Info Capsule

Friday
April 23, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Ministry of Corporate Affairs

Clarification on spending of CSR funds for setting up makeshift hospitals and temporary COVID Care facilities (April 22, 2021)

In continuation to General Circular No. 10/2020 dated March 23, 2020, the MCA has further clarified that spending of CSR funds for 'setting up makeshift hospitals and temporary COVID Care facilities' is an eligible CSR activity under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care, and, disaster management respectively.

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

For details:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo5_22042021.pdf



**THE INSTITUTE OF
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भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Latest @ ICSI

● **ICSI Plasma Bank Portal (April 22, 2021)**

On account of the challenges posed by the pandemic and given the rising numbers, Plasma donation and blood donation are critically important activities that contribute to saving lives. In such a scenario, the ICSI calls upon all its stakeholders to volunteer for donating plasma by registering at <https://www.icsi.in/plasmabank/blood.aspx> by furnishing personal details and location.

For details:

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

● **Guidance to Members in Practice to carry out Professional Assignments (April 20, 2021)**

Taking cognizance of the second wave of COVID-19 pandemic, the PCS committee of the ICSI in its meeting held on April 12, 2021 has issued specific guidance to the Members in Practice for smooth conduct of the Audit and other assignments undertaken by them.

For details:

https://www.icsi.edu/media/webmodules/ICSI_Emailer_for_PCS.JPG

❖ Securities Laws and Capital Markets

SEBI Circular

- *Relaxations relating to procedural matters – Issues and Listing (April 22, 2021)*

SEBI vide Circular no. SEBI/HO/CFD/DIL2/ CIR/P/ 2020/78 dated May 06, 2020 granted one time relaxations from strict enforcement of certain Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, pertaining to Rights Issue opening. The relaxation mentioned in point (iv) of the said SEBI Circular dated May 06, 2020 is further extended and shall be applicable for Rights Issues opening upto September 30, 2021 provided the issuer along with the Lead Manager(s) shall continue to comply with point (v) of the said SEBI Circular dated May 06, 2020.

For details:

https://www.sebi.gov.in/legal/circulars/apr-2021/relaxations-relating-to-procedural-matters-issues-and-listing_49900.html

❖ Adjudication Order

- **In the matter of ITC Limited (April 22, 2021)**

SEBI imposed a minimum penalty of Rs. 1 lakh on Victor Peter Christopher (Noticee) for failure to comply with the disclosure requirements of Regulation 7(2)(a) read with Regulation 7(2)(b) of the PIT Regulations on 18 separate instances and thus violated the provisions of PIT Regulations.

For details:

https://www.sebi.gov.in/enforcement/orders/apr-2021/adjudication-order-in-respect-of-victor-peter-christopher-in-the-matter-of-itc-limited_49898.html

❖ Market Watch

Stock Market Indices as on 23.04.2021

S & P BSE Sensex	47878.45 (-202.22)
Nifty 50	14341.35 (-64.80)

Foreign Exchange Rates as on 22.04.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
75.39	105.01	90.65	0.70

❖ **Direct Tax**

- **CBDT notifies 'Norfund, Government of Norway' as sovereign wealth fund [Notification No. 33 Dated April 19, 2021]**

The Central Government specifies the sovereign wealth fund, namely, the Norfund, Government of Norway, (hereinafter referred to as "the assessee") as the specified person for the purposes of sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961, in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_33_2021.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend income [Notification No. 1 Dated April 20, 2021]**

The Central Board of Direct Taxes (CBDT) notified the Format, Procedure, and Guidelines for submission of Statement of Financial Transactions (SFT) for Dividend income. Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish SFT.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_1_2021_dividend_income.pdf

- **Format, Procedure and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income [Notification No. 2 Dated April 20, 2021]**

The Central Board of Direct Taxes (CBDT) notified the Format, Procedure, and Guidelines for submission of Statement of Financial Transactions (SFT) for Interest income. Section 285BA of the Income Tax Act, 1961 and Rule 114E requires specified reporting persons to furnish SFT.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_2_2021_interest_income.pdf

- **CBDT notifies 'Canada Pension Plan Investment Board' u/s 10(23FE) of the Income Tax Act, 1961 [Notification No. 34 Dated April 22, 2021]**

The Central Government hereby specifies the pension fund, namely, the Canada Pension Plan Investment Board, (hereinafter referred to as "the assessee") as the specified person for the purposes of sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_34_2021.pdf

- **CBDT notifies 'Canada Pension Plan Investment Board Private Holdings (4) Inc' u/s 10(23FE) of the Income Tax Act, 1961 [Notification No. 35 Dated April 22, 2021]**

The Central Government hereby specifies 'Canada Pension Plan Investment Board Private Holdings (4) Inc', as the specified person for the purposes of sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after 22nd April 2021 but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_35_2021.pdf

❖ **Banking and Insurance**

- **Declaration of dividends by banks (April 22, 2021)**

In view of the continuing uncertainty caused by the ongoing second wave of COVID-19 in the country, it is crucial that banks remain resilient and proactively raise and conserve capital as a bulwark against unexpected losses. Therefore, while allowing Commercial Banks and Cooperative banks to pay dividend on equity shares, it has been decided to review the dividend declaration norms for the year ended March 31, 2021 with subject to certain conditions.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12077&Mode=0>

- **MPC minutes: Jump in COVID cases, lockdowns add uncertainty to growth outlook, says RBI Governor Shaktikanta Das (April 22, 2021)**

The uncertainty created by the jump in COVID-19 infections and localised lockdowns prompted RBI Governor Shaktikanta Das and other members of the rating setting panel MPC to unanimously vote for status quo in interest rates and an accommodative policy stance to support growth, as per minutes of the meeting released on April 22, 2021.

For details:

<https://www.financialexpress.com/industry/banking-finance/mpc-minutes-jump-in-covid-cases-lockdowns-add-uncertainty-to-growth-outlook-says-rbi-governor-shaktikanta-das/2238370/>

- **RBI approves appointment of Atanu Chakraborty as part-time chairman of HDFC Bank (April 23, 2021)**

"The Reserve Bank of India (RBI) vide its communication dated April 22, 2021, has approved the appointment of Atanu Chakraborty as the part time chairman of the HDFC bank for a period of three years with effect from May 05, 2021 or the date of his taking charge, whichever is later,".

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-approves-appointment-of-atanu-chakraborty-as-part-time-chairman-of-hdfc-bank/articleshow/82209380.cms>

❖ *Competition Laws*

Delhi High Court dismisses Facebook, WhatsApp pleas against CCI order to investigate privacy policy (April 22 2021)

The Delhi High Court on Thursday dismissed plea of instant messaging app WhatsApp challenging a decision of the Competition Commission of India (CCI) calling for an investigation into its controversial new privacy policy. WhatsApp had contended that since the issue of its privacy policy was before the Supreme Court, the CCI did not need to order the probe. Not only WhatsApp, but social media giant Facebook, which owns the instant messaging app, also filed a similar petition challenging the competition watchdog's March 24 decision.

For details:

<https://www.thehindu.com/news/national/hc-dismisses-facebook-whatsapp-pleas-against-cci-order-to-probe-privacy-policy/article34382221.ece>

❖ *Insolvency and Bankruptcy*

High Courts cannot exercise Section 482 of Code of Criminal Procedure, 1973 powers to undermine statutory dictate under Sections 14, 17 of IBC: Supreme Court (April 22, 2021)

The inherent power of High Court under Section 482 of the Code of Criminal Procedure should not be used to undermine statutory dictate under Sections 14 and 17 of the Insolvency and Bankruptcy Code (IBC), the Supreme Court ruled on Thursday (*Sandeep Khaitan, Resolution Professional v. JSVM Plywood Industries*).

It cannot pass interim orders which overlook the salutary limits on its power under Section 482, a Bench of Justices UU Lalit and KM Joseph held.

"The power under Section 482 may not be available to the Court to countenance the breach of a statutory provision. The words 'to secure the ends of justice' in Section 482 cannot mean to overlook the undermining of a statutory dictate, which in this case is the provisions of Section 14, and Section 17 of the IBC," the Court said.

For details:

<https://www.barandbench.com/news/litigation/high-courts-section-482-powers-undermine-statutory-dictate-section-14-ibc-supreme-court>

❖ **Business and Economic News**

How e-commerce has changed shopping rules in the pandemic (April 22, 2021)

For shoppers, the imposition of fresh restrictions means it's not just about finding a good deal online anymore. A good deal in 2021 means ease of shopping and payment, and most importantly, contact-less delivery.

Brands have taken the last year to upgrade their digital presence to ensure safety for their customers and staff.

For details:

https://economictimes.indiatimes.com/magazines/panache/how-e-commerce-has-changed-shopping-rules-in-the-pandemic/articleshow/82189836.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

❖ **International Business News**

IMF chief urges G20 to adopt carbon price floor to reach climate goals (April 22, 2021)

The head of the International Monetary Fund on Thursday, April 22, 2021 urged the Group of 20 major economies to adopt an international carbon price floor to help reach agreement on carbon pricing, which she said was essential to combating climate change.

For details:

<https://www.reuters.com/article/global-climate-summit-imf/imf-chief-urges-g20-to-adopt-carbon-price-floor-to-reach-climate-goals-idUSL1N2MF1J0>

❖ **Terminology for today**

Equity Tokenization

Security tokens that represent outstanding debt, where value is based on interest rate and creditworthiness. Examples include bonds, mortgages, loans and debentures.

Prepared by Directorate of Academics

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

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सत्यं वद। धर्मं चर। वक्तव्यं तत्रैतत्। अनेकेषु तेषु तेषु

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

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