

# Info Capsule

Monday  
January 25, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ Latest @ ICSI

### **The ICSI representation for extension of timelines on account of COVID - 19 Pandemic (January 22, 2021)**

On account of practical difficulties faced by the stakeholders due to COVID-19 pandemic, the ICSI has requested the MCA to consider for extension of timelines for:

- filing of e-forms 8 & 11 pertaining to Financial Years 2019- 20 by LLPs till March 31, 2021.
- annual filing of e-forms AOC-4, AOC-4 (XBRL), MGT-7 and DIR-3 KYC till March 31, 2021

For details:

[https://www.icsi.edu/media/webmodules/LLP\\_8\\_11\\_ext.pdf](https://www.icsi.edu/media/webmodules/LLP_8_11_ext.pdf)

[https://www.icsi.edu/media/webmodules/Extn\\_of\\_timelines.pdf](https://www.icsi.edu/media/webmodules/Extn_of_timelines.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

- **The MCA notified the commencement date for Section 21 of the Companies (Amendment) Act, 2019 (January 22, 2021)**

The MCA has appointed January 22, 2021 as the commencement date of section 21 of the Companies (Amendment) Act, 2019 which is related to the amendments in the Corporate Social Responsibility provisions under Section 135 of the Companies Act, 2013.

For details:

[http://www.mca.gov.in/Ministry/pdf/CommencementNotificationCAA\\_23012021.pdf](http://www.mca.gov.in/Ministry/pdf/CommencementNotificationCAA_23012021.pdf)

- **The MCA notified the commencement date for certain specified sections of the Companies (Amendment) Act, 2020 (January 22, 2021)**

The MCA has notified January 22, 2021 as the commencement date for certain specified sections of the Companies (Amendment) Act, 2020.

For details:

[http://www.mca.gov.in/Ministry/pdf/CommencementNotification\\_23012021.pdf](http://www.mca.gov.in/Ministry/pdf/CommencementNotification_23012021.pdf)

- **The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (January 22, 2021)**

The MCA vide Notification dated January 22, 2021 has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 which has amended the CSR Rules, 2014 majorly w.r.t. Definitions, CSR Committees, CSR Implementation, CSR Expenditure, CSR Reporting. It also adds provisions for Display of CSR activities on Company's website and Transfer of unspent CSR amount.

For details:

[http://www.mca.gov.in/Ministry/pdf/CSRAmendmentRules\\_22012021.pdf](http://www.mca.gov.in/Ministry/pdf/CSRAmendmentRules_22012021.pdf)

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

### **SEBI Adjudication Orders**

- **In respect of Jahman Dealers Private Limited in the matter of Dwitiya Trading Limited (January 22, 2021)**

SEBI imposed a penalty of Rs. 5 lakh on Jahman Dealers Pvt. Ltd for not complying with the summonses issued and subsequently two reminder summonses issued to it by the Investigating Authority of SEBI and therefore violated the provisions of Sections 11C (3) read with Section 11C (2) of the SEBI Act.

*For details:*

[https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-jahman-dealers-private-limited-in-the-matter-of-non-compliance-of-summonses-in-the-matter-of-dwitiya-trading-limited\\_48857.html](https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-jahman-dealers-private-limited-in-the-matter-of-non-compliance-of-summonses-in-the-matter-of-dwitiya-trading-limited_48857.html)

- **In respect of Winsome Yarns Limited and Shell Business Private Limited in the matter of Winsome Yarns Limited (January 22, 2021)**

SEBI imposed a penalty of Rs. 5 lakh on Shell Business Private Limited for failure to make the full consideration amount to Winsome Yarns Limited for the preferential allotment of shares of Winsome Yarns Limited and therefore violated the provisions of regulations 77(1) and 77(3) of the ICDR Regulations, 2009.

*For details:*

[https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-winsome-yarns-limited-and-shell-business-private-limited-in-the-matter-of-winsome-yarns-limited\\_48859.html](https://www.sebi.gov.in/enforcement/orders/jan-2021/adjudication-order-in-respect-of-winsome-yarns-limited-and-shell-business-private-limited-in-the-matter-of-winsome-yarns-limited_48859.html)

## ❖ **Compromises, Arrangements and Amalgamations**

### **BSNL-MTNL merger shelved as GoM says not feasible; Cabinet to meet soon (January 25, 2021)**

The plan to revive the state-owned telecom companies Bharat Sanchar Nigam (BSNL) and Mahanagar Telephone Nigam (MTNL) by merging the two entities is set to be shelved after almost two decades of deliberations on the matter. Instead of a technical merger, the government's proposal now is to integrate the operations and some manpower of MTNL with BSNL.

*For details:*

[https://www.business-standard.com/article/economy-policy/bsnl-mtnl-merger-shelved-as-gom-says-not-feasible-cabinet-to-meet-soon-121012500014\\_1.html](https://www.business-standard.com/article/economy-policy/bsnl-mtnl-merger-shelved-as-gom-says-not-feasible-cabinet-to-meet-soon-121012500014_1.html)

## ❖ **Banking and Insurance**

### • **RBI discussion paper proposes tighter rules for big NBFCs (January 22, 2021)**

The objective of this discussion paper is to revisit the broad principles which underpin the current regulatory framework and examine the need to develop a scale-based approach to regulation from a 'systemic significance' vantage point and recommend appropriate regulatory measures in support of a strong and resilient financial system. The primary focus of the discussion paper is examination of the principles and processes for identification of NBFCs that have significant systemic risk spill-overs and development of a conceptual framework on which regulations could be based.

The following are the Governance requirements which are proposed to be made applicable to NBFC-ML, as per point no. 4.3.3.5 :

- (i) Compliance certificates by Chief Executive Officer and Chief Financial Officer covering various aspects including financial statements, absence of fraudulent/illegal transactions, submissions to auditors, etc.
- (ii) Requirements for Secretarial Audit
- (iii) Obligations of independent directors, senior management, key management personnel, directors and promoters
- (iv) Limits on directorships/ membership of committees of listed entities
- (v) Role of various committees (Audit Committee, Nomination and Remuneration Committee, Stakeholder's relationship, Risk Management) and review of information by Audit Committee
- (vi) Vigil mechanism and requirements pertaining to related party transactions
- (vii) Corporate Governance requirements for subsidiaries of listed entities.

For details:

<https://rbidocs.rbi.org.in/rdocs/publications/pdfs/dp220121630d1f9a2a51415b98d92b8cf4a54185.pdf>

## ❖ **Market Watch**

<b>Stock Market Indices as on 25.01.2021</b>	
S & P BSE Sensex	48347.59 (-530.95)
Nifty 50	14238.90 (-133.00)

<b>Foreign Exchange Rates as on 22.01.2021</b> <i>(<a href="https://www.fbil.org.in/#/home">https://www.fbil.org.in/#/home</a>)</i>			
<b>INR / 1 USD</b>	<b>INR / 1 GBP</b>	<b>INR / 1 EUR</b>	<b>INR/ 1 JPY</b>
73.038	100.0591	88.8624	.7049

## ❖ **Business and Economics News**

### • **Budget 2021 : Super agency to probe financial sector frauds on cards (January 25, 2021)**

The government could soon set up an omnibus agency to investigate financial sector frauds. If it comes through, the proposal, which is now shuttling between the finance and home ministries, is likely to land on the latter's plate. The government is expected to out the move as a means to facilitate ease of doing business in the country.

*For details:*

[https://www.business-standard.com/budget/article/budget-2021-super-agency-to-probe-financial-sector-frauds-on-cards-121012400914\\_1.html](https://www.business-standard.com/budget/article/budget-2021-super-agency-to-probe-financial-sector-frauds-on-cards-121012400914_1.html)

### • **Finance Minister launches “Union Budget Mobile App” to provide easy and quick access to Union Budget information to all stakeholders [PIB Dated Jan 23, 2021]**

**The Halwa ceremony**, marking the final stage of the Budget making process for Union Budget 2021-22, was held in North Block in the presence of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman. A customary Halwa ceremony is performed every year before the “lock-in” process of Budget preparation begins. On the occasion, Finance Minister Smt. Nirmala Sitharaman also launched the “**Union Budget Mobile App**” for hassle-free access of Budget documents by Members of Parliament (MPs) and the general public using the simplest form of digital convenience. The mobile App facilitates complete access to 14 Union Budget documents, including the Annual Financial Statement (commonly known as Budget), Demand for Grants (DG), Finance Bill etc. as prescribed by the Constitution.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1691577>

## ❖ **Terminology for Today**

### **Management Entrenchment**

The degree to which management is shielded from the market forces and performance standards to which management teams are typically held accountable. An entrenched management is able to retain employment, despite poor performance or opposition from the board, shareholders, and/or stakeholders.

**Prepared by Directorate of Academics**

*For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269*

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

ICSI Motto  
सत्यं वद। धर्मं चर।  
Speak the truth. Obey the law.

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

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