

Info Capsule

Thursday
March 25, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Competition Law

CCI orders antitrust probe against WhatsApp's new privacy policy (March 25, 2021)

The Competition Commission of India (CCI) on March 24, 2021 ordered a probe into the updated privacy policy of WhatsApp for breaching the antitrust law. CCI said that with no fear of erosion of its userbase, Facebook-owned WhatsApp was in a position to compromise quality in terms of protection of individualised data.

For details:

https://www.business-standard.com/article/technology/cci-orders-antitrust-probe-against-whatsapp-s-new-privacy-policy-121032401620_1.html#:~:text=The%20Competition%20Commission%20of%20India



**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

• MCA News

MCA portal will not be available between 8:00AM to 6:00PM on March 27, 2021 due to planned quarterly maintenance activity. Stakeholders may plan accordingly.

For details:

<http://www.mca.gov.in/>

• The Companies (Accounts) Amendment Rules, 2021 (March 24, 2021)

The MCA vide notification dated March 24, 2021 has notified that for the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Further, it also specified that Board Report should contain the following additional information's namely:-

“(xi) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.

(xii) the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.”

For details:

http://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf

- **The Companies (Audit and Auditors) Amendment Rules, 2021 (March 24, 2021)**

The MCA vide notification dated March 24, 2021 has broaden the scope of reporting by the Auditors by adding more reporting requirements in the Audit Report.

For details:

http://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf

- **Amendments to Schedule III of the Companies Act, 2013 (March 24, 2021)**

The MCA has notified amendment in schedule III of the Companies Act, 2013 w.r.t. Disclosure of Shareholding of Promoters, Trade Payable ageing schedule etc., w.e.f. April 01, 2021.

For details:

http://www.mca.gov.in/Ministry/pdf/ScheduleIIIAmendmentNotification_24032021.pdf

- **The MCA notified commencement date for Section 23 and 45 of the Companies (Amendment) Act, 2020 (March 24, 2020)**

The MCA has appointed **March 24, 2021** as the commencement date for Section 23 and 45 of the Companies (Amendment) Act, 2020. Section 23 seeks to amend Section 124(7) of the Companies Act, 2013 related to imposition of penalty in case of non-compliance of Section 124 which deals with the provision of Unpaid Dividend Account.

Further, Section 45 seeks to amend Section 247(3) of the Companies Act, 2013 which deals with imposition of penalty on valuer for contravention of the provisions of section 247 or the rules made thereunder.

For details:

http://www.mca.gov.in/Ministry/pdf/CommencementNotification_24032021.pdf

❖ Terminology for today

Triple Bottom Line

A phrase first coined by John Elkington in 1994, it describes the separate financial, social and environmental 'bottom lines' of companies. In principle it is designed for companies to value their social and environmental profits and losses, as well as the financial ones.

❖ Market Watch

Stock Market Indices as on 25.03.2021	
S & P BSE Sensex	48440.12 (-740.19)
Nifty 50	14324.90 (-224.50)

Foreign Exchange Rates as on 24.03.2021 <i>(https://www.fbil.org.in/#/home)</i>			
INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
72.6558	99.615	86.023	.6696

❖ **Securities Laws and Capital Markets**

SEBI Orders

- **In the matter of Gujarat Arth Ltd. (March 24, 2021)**

SEBI imposed a penalty of ₹1.3 crore on Basant Malpani (Noticee) for disclosure lapses and indulging in manipulative trading activities in the shares of Gujarat Arth Ltd. (GAL). It was alleged that the promoters and persons acting in concert (PACs) of GAL including the noticee were instrumental in issuing misleading corporate announcements and financial results regarding acquisition of business of Poonam Industries, preferential/right issue, which did not materialise and which lured investors, leading to creation of artificial volumes. Further, the Noticee failed to make the required disclosures under Takeover and Insider Trading Regulations.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/mar-2021/1616592865771.pdf#page=1&zoom=page-width,-16,825

- **In the matter of Dwitiya Trading Limited (DTL) (March 24, 2021)**

SEBI imposed a penalty of ₹12 lakhs on 12 promoters for not making disclosure to the company and stock exchanges under regulation 13(4A) of the PIT Regulations, 1992 about the decrease of Shareholding i.e. voting rights by more than 1% during the period March 2013 to June 2013 due to preferential allotment of shares to the non-promoters in DTL

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/mar-2021/1616583604015_1.pdf#page=1&zoom=page-width,-15,842

SEBI News

- **SEBI orders attachment of bank, demat, MF accounts of Rana Kapoor (March 24, 2021)**

SEBI ordered attachment of bank accounts as well as share and mutual fund holdings of Rana Kapoor, former MD and CEO of Yes Bank, to recover dues of over ₹1 crore. The decision has been taken after Kapoor failed to pay the fine imposed on him. SEBI, in September 2020, had levied a fine of ₹1 crore on Kapoor for not making disclosures regarding a transaction of Morgan Credit, which was an unlisted promoter entity of Yes Bank.

For details:

<https://www.livemint.com/companies/people/sebi-orders-attachment-of-bank-demat-mf-accounts-of-rana-kapoor-11616596560355.html>

- **SEBI seeks 'discretion' in prosecutions**

SEBI will be seeking 'discretionary powers' with regard to the 'prosecution law'. The SEBI will take its proposal on discretionary powers for discussion in its board and then prepare a proposal to be put up to the government for amending the SEBI Act, 1992. Discretionary power in this regard is akin to being your own master to decide whom to prosecute and whom to let go. The Section 24 of SEBI Act, 1992 specifies violations and cases wherein criminal prosecution should be initiated. Though currently SEBI uses its 'discretion' on various matters, the Act has no specific mention of 'discretionary powers'. As a consequence, complaints have piled up against SEBI for inconsistencies in dealing with cases.

For details:

<https://business-journal.in/market-news/sebi-seeks-discretion-in-prosecutions-business-journal/>

❖ **Indirect Tax**

Goods and Services Tax

GSTN issues advisory on opting-in for Composition Scheme for Financial year 2021-22 (March 24, 2021)

The eligible registered taxpayers, who want to opt-in for composition scheme for the FY 2021-22, need to file FORM GST CMP-02 application, on or before March 31, 2021, post login on GST portal. Once Form GST CMP-02 application is filed, the composition scheme will be available to the taxpayer, w.e.f. April 01, 2021. The taxpayers already opted in for composition scheme earlier are not required to opt in again for FY 2021-2022.

For details:

<https://www.gst.gov.in/newsandupdates/read/458>

❖ **Banking and Insurance**

IRDAI extends validity of short term covid specific health insurance policies till September 30, 2021 (March 24, 2021)

Witnessing the second wave of the covid 19 pandemic, the regulator has now extended the validity for sale and renewal of short term covid specific health insurance policies. The policies issued under the specified guidelines will now remain valid till September 30, 2021.

For details:

<https://www.livemint.com/insurance/news/irdai-extends-short-term-covid-specific-health-insurance-validity-to-30-sept-11616591014630.html>

❖ **Recognition for Company Secretaries**

Pension Fund Regulatory and Development Authority (Employees' Service) (Amendment) Regulations, 2021 (March 24, 2021)

According to the Amendment Regulations, the Qualification for Executive Director in PFRDA is as under –

“MBA/MMS with specialisation in Finance / CA / **CS** / CFA / CWA / LLB / Post-Graduation in Economics, Finance or any other discipline which in the opinion of the Authority is useful, from a recognised University / Institution with a minimum of 20 years of post-qualification experience in dealing with issues relating to Pension / Insurance / Financial Sector or special knowledge / experience of law, investigation, Finance, Economics, Accountancy, Administration or any other discipline considered useful to the Authority.”

For details: <http://egazette.nic.in/WriteReadData/2021/226075.pdf>

❖ **Business and Economic News**

• **Ralf Speth, ex-CEO of JLR, to take over as TVS Motor Chairman in 2023 (March 25, 2021)**

Venu Srinivasan, who built TVS Motor Company, since 1980, into one among the top five global manufacturers of two- wheelers and three-wheelers, has decided to step down as chairman in January 2023. He will be replaced by Ralf Speth, former chief executive officer of Jaguar Land Rover.

For details:

https://www.business-standard.com/article/companies/ralf-speth-ex-ceo-of-jlr-to-take-over-as-tvs-motor-chairman-in-2023-121032401375_1.html

Prepared by Directorate of Academics

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

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