

Info Capsule

Friday
October 01, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

The ICSI representation to the MCA for extension of time limit for preparing the Statement of Account and Solvency and for getting the accounts audited in LLPs and subsequent filing thereof -reg. (September 29, 2021)

On account of the COVID-19 pandemic and with a view to provide ease to the LLPs, the ICSI has requested the MCA to extend the time limit for preparing the Statement of Account and Solvency and for getting the accounts audited and the subsequent filing thereof for a period of 30 days from the prescribed period.

For details:

https://www.icsi.edu/media/web_modules/Rep_exten_timlines_LLPAccounts_30092021.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 Finance

Monthly Review of Accounts of Union Government of India upto the month of August 2021 for Financial Year 2021-22 (September 30, 2021)

The Monthly Account of the Union Government of India upto the month of August, 2021 has been consolidated and reports published. The highlights are given below: -

The Government of India has received Rs. 8,08,672 crore (40.9% of corresponding BE 2021-22 of Total Receipts) upto August, 2021 comprising Rs. 6,44,843 crore Tax Revenue (Net to Centre), Rs. 1,48,650 crore of Non Tax Revenue and Rs. 15,179 crore of Non Debt Capital Receipts. Non Debt Capital Receipts consists of Recovery of Loans Rs. 6,808 crore and Miscellaneous Capital Receipts of Rs. 8,371 crore. Rs. 2,12,606 crore has been transferred to State Governments as Devolution of Share of Taxes by Government of India upto August, 2021.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1759660>

❖ International Business News

Lower trade deficit, higher software exports contribute to current in surplus in April-June'21 (September 30, 2021)

Higher software services income and inward remittances by the Indian diaspora made up for a sharp rise in the crude import bill and helped the current account in the balance of payments end in a surplus for the quarter ended June'21. Also, the slowdown in the economy induced by the second lockdown during the quarter resulted in a lower trade deficit.

For details:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/lower-trade-deficit-higher-software-exports-contribute-to-current-in-surplus-in-april-june21/articleshow/86652599.cms>

❖ *Securities Laws & Capital Markets*

SEBI Circular

- **'Guidelines for Investment Advisers' - Extension of timelines (September 30, 2021)**

SEBI earlier extended the timelines for Investment Advisers (IAs) to conduct the annual compliance audit for the financial year ended March 31, 2021. On receipt of representations from IAs, the timeline for compliance with the requirements has now been extended by three months. For the financial year ending March 31, 2021, the IAs are now required to conduct the annual compliance audit by December 31, 2021 and submit the adverse findings of the audit, if any, by January 31, 2022. Further, it has been provided that the IAs shall obtain a certificate from an auditor by December 31, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/sep-2021/guidelines-for-investment-advisers-extension-of-timelines_53049.html

SEBI Adjudication Order

- **In the matter of Front-Running by Manish Chaturvedi & Others (September 30, 2021)**

SEBI imposed a total monetary penalty of Rs. 9 lakh on 3 entities, to be paid jointly and severally, for front-running of the trades of Sterling Group and thus violated the provisions of sections 12 A (a), (b) and (c) of the SEBI Act and Regulations 3 (a), (b), (c), (d) and 4 (1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/sep-2021/adjudication-order-in-respect-of-3-entities-in-the-matter-of-front-running-by-manish-chaturvedi-and-others_53062.html

❖ *Terminology for today*

Front-running

Front-running is trading stock or any other financial asset by a broker who has inside knowledge of a future transaction that is about to affect its price substantially. A broker may also front-run based on insider knowledge that their firm is about to issue a buy or sell recommendation to clients that will almost certainly affect the price of an asset.

❖ **Banking and Insurance**

• **Public Disclosures by Insurers (September 30, 2021)**

The Insurance Regulatory and Development Authority of India (IRDAI) had issued revised instructions on Public Disclosures by Insurers which came into effect from the financial year 2021-22 and the uploading of disclosures on website shall be on quarterly basis from the period ending 30th September, 2021 whereas publishing in Newspapers will be on half yearly basis from the period ending September 30, 2021. The insurers may also make the quarterly disclosures in the revised formats for the period ending June 30, 2021 on voluntary basis on their websites.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4576&flag=1

• **RBI's new auto-debit rules kick in from today. 5 things you should know (October 01, 2021)**

To bolster the safety and security of card transactions, the Reserve Bank of India (RBI) mandated new auto-debit rules kick in from October 01, 2021. RBI's directive states that there will be no automatic recurring payment for various services including utility bills, recharge of phone, DTH, and OTT, among others as the Additional Factor of Authentication (AFA) will become mandatory from October 01, 2021.

For details:

<https://www.livemint.com/industry/banking/rbis-new-auto-debit-rules-kick-in-from-today-5-things-you-should-know-11633050755044.html>

❖ **Market Watch**

Stock Market Indices as on 01.10.2021

S & P BSE Sensex	58765.58 (-360.78)
Nifty 50	17532.05 (-86.10)

Foreign Exchange Rates as on 30.09.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.16	86.33	99.98	0.66

❖ ***Insolvency and Bankruptcy***

• **The Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2021 (September 30, 2021)**

The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2021 and issued press release No. IBBI/PR/2021/24 dated September 30, 2021.

The press release states:

- The amendment expands the scope of consultation to cover all aspects related to sale of assets and appointment of professionals. The amendment regulations also provide for manner of selection of representatives of stakeholders in Stakeholder Consultation Committee (SCC).
- The amendment regulations provide that Liquidator shall not require payment of any non-refundable deposit or fee for participation in an auction. It also provides that the earnest money deposit shall not exceed ten percent of the reserve price in an auction, the Board has also made available an electronic platform at www.ibbi.gov.in for hosting public notices of auctions of liquidation assets of ongoing liquidation processes.

For details:

<https://ibbi.gov.in/uploads/press/7d2e741e1de66880b3b9fbbed3c94410.pdf>

<https://ibbi.gov.in/uploads/legalframework/dd230e9f5c38a981e646a3eba1354713.pdf>

• **Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2021 (September 30, 2021)**

The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2021 on September 29, 2021 and issued press release No. IBBI/PR/2021/23 dated September 30, 2021.

The press release states, amendment regulations enhance the conduct, timeliness, and value maximization in corporate insolvency proceedings:

- The amendment regulations provide that the committee and members of the committee in discharge of its functions and exercise powers under the Code and regulations in respect of corporate insolvency resolution process, shall be in compliance with the guidelines as may be issued by the Board.
- The amendment seeks to address delays in CIRP such as repeated issue of expression of interest, numerous modifications in request for resolution plans and iterations of modifications in the resolution plan and even consideration of unsolicited resolution plans.

For details:

<https://ibbi.gov.in/uploads/press/44cced3583ae0ea864e5ab7eed05f9ca.pdf>

<https://ibbi.gov.in/uploads/legalframework/57c7722e3ebb1364eac924f213111814.pdf>

❖ **Business and Economic News**

• **India going through remarkable transformation of its economy: Australian PM (September 30, 2021)**

Australian Prime Minister Scott Morrison said that India is going through a remarkable transformation of its economy while talking about the partnership between the two countries on new energy economy. While speaking during an online briefing with Indian media, he said, "The ability to take up technology at a scale that is commercial is the key to successfully transitioning to the new energy economy. And India understands that. And India is going through a remarkable transformation of its own economy and looking to actually transition its own energy economy into the future."

Recently, in the first in-person Quad Leaders' Summit, both Prime Ministers Narendra Modi and Morrison agreed on a number of initiatives, including the agreement to go forward with a low emissions technology partnership.

For details:

<https://www.timesnownews.com/business-economy/economy/article/india-going-through-remarkable-transformation-of-its-economy-australian-pm/818609>

• **NCLT directs Zee board to consider Invesco's requisition for EGM (September 30, 2021)**

The Mumbai Bench of the National Company Law Tribunal (NCLT) on Thursday asked the Zee Entertainment Enterprises board to consider the requisition of the Invesco Developing Markets Fund and OFI Global China Fund LLC to hold an extraordinary general meeting (EGM) of the company.

Following the order, the independent directors of the board met on Thursday evening and the meeting remained inconclusive till the time of going to press.

The meeting followed a direction from the Bench of Bhaskar Pantula Mohan and Chandra Bhan Singh, who asked the company's board to comply with the Companies Act, 2013, which says the board of a company shall, at the requisition made by shareholders with not less than one-tenth of the paid-up share capital of the company, will call an EGM.

For details:

https://www.business-standard.com/article/companies/nclt-directs-zee-board-to-consider-invesco-s-requisition-for-egm-121093000973_1.html

Prepared by Directorate of Academics

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

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