

Info Capsule

Thursday
July 29, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Ministry of Corporate Affairs**

Cabinet clears amendments to LLP Act, to decriminalise 12 offences to boost biz (July 28, 2021)

The union cabinet on July 28, 2021 cleared the amendments to the Limited Liability Partnership (LLP) Act, in order to decriminalise several provisions under the Act and also foster the ease of doing business in India. The changes, which include the removal of criminal action for failing to comply with the provisions of the Act, will help about 2,30,000 firms in the country.

Union Finance Minister Nirmala Sitharaman while addressing a press conference said that “a lot of changes are being made in the Companies Act, decriminalising many sections and improving ease of doing business for companies. A similar treatment had to be given for LLPs”.

For details:

<https://www.hindustantimes.com/business/cabinet-clears-amendments-to-llp-act-to-decriminalise-12-offences-to-boost-biz-101627479049601.html>



**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)

❖ **Securities Laws & Capital Markets**

SEBI Chairman's Speech at FICCI's Annual Capital Markets Conference 2021 (July 28, 2021)

Speaking at FICCI's Annual Capital Market Conference 2021, Shri Ajay Tyagi, Chairman, SEBI, said-

- One of the major channels through which finance, as the life-blood of the economy, flows is capital markets.
- The funds raised through IPOs during the last 5 years i.e. 2016-21 have been increased and are 6 times more than the funds raised in the Preceding five years.
- SEBI created frameworks for new instruments such as REITs and InvITs and improved upon them, based on experience gained. For listing of startups, a separate platform called 'Innovators Growth Platform' was carved out. For fund raising requirements of the social sector, SEBI is now in the process of setting up an entire ecosystem called the 'Social Stock Exchange'.
- Several reforms are in focus in the near future such as revisiting the concept of promoter and its related obligations. SEBI had issued a consultation paper some time back seeking comments on whether there is a need to shift from the 'promoter' regime to a 'controlling shareholder' regime and the manner and timeframe for such a shift.
- Disclosures by many companies are lacking. On periodic disclosures such as Annual Reports, while all the fields are being filled in, in many cases, they appear more like a check-box exercise. This is not acceptable. Documents as important as the financial results, annual reports, corporate governance reports and others need the level of quality the investors deserve.

For details:

https://www.sebi.gov.in/media/speeches/jul-2021/chairman-s-speech-dated-july-28-2021-at-ficci-s-annual-capital-markets-conference-2021_51427.html

SEBI Adjudication Order

In the matter of Viaan Industries Limited (July 28, 2021)

SEBI imposed a monetary penalty of Rs. 3 lakh on the Noticees viz. Mr. Ripu Sudan Kundra (Raj Kundra), Ms Shilpa Shetty Kundra and Viaan Industries Ltd (VIL), to be paid jointly and severally, for delay in making the necessary disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The order follows an investigation into the trading/dealings in the scrip of VIL during the period September 2013 to December 2015. It was held that, in October 2015, Viaan Industries made a preferential allotment of 5 lakh equity shares to four persons and 1,28,800 shares each, amounting to Rs 2.57 crore each, were allotted to Raj Kundra and Shilpa Shetty Kundra in the allotment.

For details:

https://www.sebi.gov.in/enforcement/orders/jul-2021/adjudication-order-in-respect-of-mr-ripu-sudan-kundra-ms-shilpa-shetty-kundra-and-viaan-industries-limited-in-the-matter-of-viaan-industries-limited_51446.html

❖ Direct Tax

Income-tax (20th Amendment) Rules, 2021 [Notification No. 82 Dated July 27, 2021]

The Central Board of Direct Taxes (CBDT) vide notification dated 27th July, 2021 has issued the Income-tax (20th Amendment) Rules, 2021 further amending the Income-tax Rules, 1962. Through this amendment, in Rule 12 which relates to 'Return of Income & Return of Fringe Benefits' the assessment year for the assessment procedure shall be substituted from '2019' to '2020'.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_82_2021.pdf

❖ Market Watch

Stock Market Indices as on 29.07.2021

S & P BSE Sensex	52653.07 (+209.36)
Nifty 50	15778.45 (+69.05)

Foreign Exchange Rates as on 28.07.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.31	87.74	102.83	0.68

❖ **Banking and Insurance**

● **Access for Non-banks to Centralised Payment Systems (July 28, 2021)**

It was announced that the Reserve Bank of India (RBI) shall encourage participation of non-banks in RBI-operated Centralised Payment Systems (CPS) viz. Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT) systems, in a phased manner. On a review of extant arrangements and after detailed discussions with Payment System Providers (PSPs), it is advised that, in the first phase, authorised non-bank PSPs, viz. PPI Issuers, Card Networks and White Label ATM Operators shall be eligible to participate in CPS as direct members.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12133&Mode=0>

● **Distressed banks: Deposit insurance payout within 90 days gets approval (July 28, 2021)**

The Union Cabinet on July 28, 2021 cleared changes to the deposit insurance laws to provide funds up to Rs. 5 lakh to an account holder within 90 days in the event of a bank coming under the moratorium imposed by the RBI. Earlier, account holders had to wait for years till the liquidation or restructuring of a distressed lender to get their deposits that are insured against default.

For details:

<https://indianexpress.com/article/business/banking-and-finance/cabinet-decisions-july-28-key-announcements-amendment-to-dicgc-act-deposit-insurance-credit-guarantee-corporation-nirmala-sitharaman-7426837/>

❖ **Insolvency and Bankruptcy**

Monetary Penalties to be imposed by an Insolvency Professional Agency (July 28, 2021)

The Disciplinary Committee of an Insolvency Professional Agency (IPA) may impose monetary penalty on its professional members under Clause 24(2) (d) of the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

In the interest of objectivity and uniformity, it has been decided that an IPA shall amend its Bye-laws to provide for the maximum and minimum monetary penalty, where the Disciplinary Committee decides to impose such penalty on its professional members, under Clause 24(2)(d) of the Schedule to the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/c3d5d1bd7b451572b4dea0cfd7bcb3d.pdf>

❖ **International Business News**

How SDG bonds could accelerate a Green Recovery (July 28, 2021)

Southeast Asia's climate-resilient infrastructure financing needs are estimated by the Asian Development Bank (ADB) at \$210 billion per annum between 2016 and 2030. Where the financing gap is estimated at 50-60 percent of the target — likely worse with the COVID-19 pandemic's impacts — governments need private sector funds.

The good news is that ADB technical assistance (through the ADB-managed ACGF-ASEAN Catalytic Green Finance Facility) for the government of Thailand in late 2020 saw the issuance of one of the first sustainability bonds since the pandemic broke out. This raised almost \$1 billion and was three times oversubscribed. Clearly, there is a demand for SDG bonds in the global financial community despite the pandemic.

For details:

<https://www.greenbiz.com/article/how-sdg-bonds-could-accelerate-green-recovery>

❖ **Business and Economic News**

With an aim to further improve ease of doing business, Centre launches the "Secured Logistics Document Exchange" along with a Calculator for Green House Gas Emissions (July 28, 2021)

The Digital initiative is now set to improve logistics efficiency, reduce logistics cost, and promote multi-modality and sustainability in a big way. These digital initiatives have been launched to fill the gap areas where no action has yet been taken either by private players or any of the line ministries. The Launch Event was attended by more than 75 participants from the Central Ministries, Banks, IT companies, international organizations, logistics sector stakeholders and industry bodies.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1740023>

❖ **Terminology for today**

Consensus Algorithm (or Protocol)

The set of rules or the algorithm followed by a distributed system to achieve a consensus. For Blockchains this is generally used to decide what blocks and transactions are added to the network.

Prepared by Directorate of Academics

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

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