

Vision

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

Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु तृप्तये: श्रेयते इयं कुरु।

Mission

"To develop high calibre professionals facilitating good corporate governance"

Monday, November 20, 2023

Info Capsule

President

CS Manish Gupta

Vice President

CS B Narasimhan

❖ *Business and Economic News*

Startups will play important role to help India be 3rd largest economy: CEA (November 19, 2023)

Startups will play an important role in helping India become the third largest economy in the world, Chief Economic Advisor (CEA) to the Union government V Anantha Nageswaran has said.

Nageswaran said that tier-2 and 3 cities, including Kerala's capital, have become game-changers in helping startups flourish in the country due to improvements in infrastructure and supportive policies of the government. The CEA, during his Leadership Talk on the concluding day of the Huddle Global 2023 organised by the Kerala Startup Mission (KSUM), said that India was the fifth largest economy on course to become the third largest in a few years.

For details:

https://www.business-standard.com/economy/news/startup-s-will-play-important-role-to-help-india-be-3rd-largest-economy-cea-123111900508_1.html

❖ *Ministry of Corporate Affairs*

Indian Institute of Corporate Affairs and Partners in Change host Pre-National Conference Webinar on 'BRSR: Tracking the journey of non-financial disclosures by businesses in India' (November 18, 2023)

The Indian Institute of Corporate Affairs (IICA) and Partners in Change jointly organised a Pre-National Conference on Responsible Business Conduct webinar focusing on Business Responsibility and Sustainability Reporting (BRSR), in New Delhi, on November 17, 2023. The conference delved into the analysis of publicly disclosed data by 928 companies, providing insights into the journey of non-financial disclosure in India.

With a central focus on key issues of diversity, materiality, and occupational health and safety (OHS), the webinar aimed at achieving the following objectives:

- Fostering a deeper understanding of the BRSR framework
- Tracing the evolution of disclosures from Business Responsibility Reports (BRR) to BRSR
- Analysing trends in disclosures to determine how data can enhance engagement with companies and stakeholders.

Compared to its predecessor, the Business Responsibility Report (BRR), BRSR introduces a more comprehensive set of questions encompassing both quantitative and qualitative disclosures. Positioned as an effective communication tool, BRSR facilitates the disclosure of an organisation's non-financial performance.

In adherence to the Securities and Exchange Board of India (SEBI) mandate, the top 1,000 companies are poised to submit data on their non-financial performance. This submission not only showcases their commitment to Environmental, Social, and Governance (ESG) practices but also underscores their dedication to Responsible Business Conduct compliance.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1977915>

❖ *Technology and Automation News*

WhatsApp announces Voice chat: What it is, how it works and more (November 16, 2023)

WhatsApp is rolling out a new voice chat feature for group chats. Group chat feature has been there on WhatsApp for a long time, the new voice call feature on WhatsApp works a little differently. Group participants won't be rung automatically when a voice chat starts; instead, they receive a push notification.

For details:

<https://www.gadgetsnow.com/slideshows/whatsapp-announces-voice-chat-what-it-is-how-it-works-and-more/photolist/105242841.cms>

❖ *Terminology for Today*

Catch up Effect

Catch up effect, alternatively called the theory of convergence, states that poor or developing economies grow faster compared to economies with a higher per capita income and gradually reach similar high levels of per capita income. Thus, all economies, over time, may converge in terms of income per head.

The catch up effect briefly stated implies that the poorer nations grow much faster because of higher possibilities of growth and over time catch up with the richer countries in terms of per capita income such that the divide between the two gets minimized.

For details-

<https://economictimes.indiatimes.com/definition/catch-up-effect>

Market Watch

| Stock Market Indices as on 20.11.2023 | |
|--|------------------|
| S & P BSE Sensex | 65,655 (-139.58) |
| Nifty 50 | 19,694 (-37.80) |

| Foreign Exchange Rates as on 20.11.2023 <i>(https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)</i> | | | |
|--|--------------------|--------------------|-------------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR/ 1 JPY |
| 83.33 | 90.98 | 103.98 | .5587 |

❖ **Pronouncement**

| | | |
|------------------|---|---|
| November 6, 2023 | <i>M/s India Glycols Limited and Another (Appellants) VS. Micro and Small Enterprises Facilitation Council, Medchal - Malkajgiri and Others (Respondents)</i> | <i>Supreme Court of India Civil Appeal No 7491 of 2023 (Arising out of SLP (C) No 9899 of 2023)</i> |
|------------------|---|---|

The award of the Facilitation Council under the MSMED Act cannot challenged in a petition under Articles 226/227 of the Constitution. As the remedy which provided under Section 34 Arbitration Act, 1996

Order

The Apex Court inter alia observed that in terms of Section 19, an application for setting aside an award of the Facilitation Council cannot be entertained by any court unless the appellant has deposited seventy-five per cent of the amount in terms of the award. In view of the provisions of Section 18(4), where the Facilitation Council proceeds to arbitrate upon a dispute, the provisions of the Act of 1996 are to apply to the dispute as if it is in pursuance of an arbitration agreement under sub-section (1) of Section 7 of that Act. Hence, the remedy which is provided under Section 34 of the Act of 1996 would govern an award of the Facilitation Council. However, there is a super added condition which is imposed by Section 19 of MSMED Act 2006 to the effect that an application for setting aside an award can be entertained only upon the appellant depositing with the Council seventy-five per cent of the amount in terms of the award. Section 19 has been introduced as a measure of security for enterprises for whom a special provision is made in the MSMED Act by Parliament. In view of the provisions of Section 18(4), the appellant had a remedy under Section 34 of the Act of 1996 to challenge the award which it failed to pursue.

In the judgment of Supreme Court in *Gujarat State Civil Supplies Corporation Limited vs. Mahakali Foods Private Limited (Unit 2) and Another (2023) 6 SCC 401*, a two-Judge Bench of the Court has observed, in the course of drawing its conclusions, that: *“The proceedings before the Facilitation Council/institute/centre acting as an arbitrator/Arbitral Tribunal under Section 18(3) of the MSMED Act 2006 would be governed by the Arbitration Act, 1996.”*

Hon’ble Supreme Court held that the appellant failed to avail of the remedy under Section 34. If it were to do so, it would have been required to deposit seventy-five per cent of the decretal amount. This obligation under the statute was sought to be obviated by taking recourse to the jurisdiction under Articles 226/227 of the Constitution. This was clearly impermissible.

For details: https://main.sci.gov.in/supremecourt/2023/18942/18942_2023_1_1_48065_Order_06-Nov-2023.pdf

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu

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