



#### Vision

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

#### Motto

सत्यं वद। धर्मं चर। इष्टार्थं कुरु। त्वां कुरु। अर्थात् इष्टं कुरु।

#### Mission

"To develop high calibre professionals facilitating good corporate governance"

# Info Capsule

Friday, February 23, 2024

*President*

**CS B Narasimhan**

*Vice President*

**CS Dhananjay Shukla**

## ❖ Capital Market and Securities Laws

### SEBI orders attachment of bank, demat accounts of DHFL's ex-promoters in disclosure violation case (February 22, 2024)

Markets regulator SEBI has ordered the attachment of bank accounts as well as shares and mutual fund holdings of the former promoters of Dewan Housing Finance Corp Ltd (DHFL), to recover dues totalling over Rs 22 lakh. This came after the they failed to pay the fine imposed on them by the SEBI in July last year in a case concerning the flouting of disclosure norms. In two separate attachment notices issued on February 20, 2024, Tuesday, the markets watchdog has ordered the attachment of their bank, demat accounts, and mutual fund folios to recover the pending dues.

For details:

<https://www.financialexpress.com/business/industry-sebi-orders-attachment-of-bank-demat-accounts-of-dhfls-ex-promoters-in-disclosure-violation-case-3402383/>

## ❖ Direct Tax

### Income-tax (Amendment) Rules 2024 - Changes in ITR-2, ITR-3 & ITR-5 Schedule CG [Notification No. 22 Dated February 21, 2024]

Central Board of Direct Taxes has issued a corrigendum amending the Income-tax (Amendment) Rules, 2024. The corrigendum substitutes "Income-tax (Amendment) Rules, 2024" with "Income-tax (Second Amendment) Rules, 2024."

Form ITR-2 Changes: Introduction of "Amount (Rs.)" column in Schedule 80DD and Detailed schedule revision for claiming deductions related to dependent persons with disabilities.

Form ITR-3 Modifications: Similar to ITR-2, Form ITR-3 sees the addition of "Amount (Rs.)" column in Schedule 80DD. Accordingly, the revised schedule provides details for deductions concerning dependents with disabilities. Further, In Schedule 80U - A new column, "Amount (Rs.)," is introduced for detailing deductions related to persons with disabilities.

Changes in Form ITR-5 Schedule CG: Alterations in Schedule CG, including modifications in item (d) and row (ii) for specific provisions under figures, letters, and symbols.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-22-2024.pdf>

## ❖ Insolvency and Bankruptcy

### • Enhancing Transparency and Stakeholder Engagement in Liquidation Process (February 22, 2024)

#### **Circulation of progress reports to stakeholders**

Regulation 15 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (Liquidation Regulations) provides that the liquidator shall submit Progress Reports, to the Adjudicating Authority (AA) and the Insolvency and Bankruptcy Board of India (IBBI / Board) within fifteen days after the end of every quarter. Though the regulation provides the submission of progress reports to the AA and the Board, it does not get shared with the key stakeholders of the ecosystem, i.e., creditors, thus leaving them unaware of the progress in the process thereby creating information asymmetry.

Accordingly, it is hereby directed that the liquidator shall also share the progress reports with the members of the Stakeholders' Consultation Committee (SCC) after receiving a confidential undertaking. Further, the liquidator shall submit the progress reports under Regulation 15 till the filing of the final report under Regulation 45.

#### **Preparation of preliminary report**

Regulation 13 of the Liquidation Regulations mandates the liquidator to submit a Preliminary Report to the AA detailing various aspects of the corporate debtor and the intended plan of action for carrying out the liquidation process. However, the present regulation lacks SCC consultation in preparation of the preliminary report thereby risking oversight of crucial stakeholder insights.

Accordingly, it is hereby directed that the liquidator shall seek suggestions / observations of the members of the SCC while preparing the Preliminary Report under regulation 13 and finalise the Preliminary Report after considering such suggestions / observations, and thereafter, submit it to the AA, Board and members of SCC.

For details:

<https://ibbi.gov.in/uploads/legalframework/ebdbf10dbd0e11662bd6dbf2b02ca7fe.pdf>

- **Deposit and withdrawal of unclaimed dividends and / or undistributed proceeds in accordance with regulation 46 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016(February 22, 2024)**

Regulation 46 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 provides a framework for the management of unclaimed deposits and undistributed proceeds during the liquidation process. As per the regulation, liquidators are mandated to deposit unclaimed / undistributed amounts into the Corporate Liquidation Account and inform the Insolvency and Bankruptcy Board of India (IBBI / Board) in Form-I of the Liquidation Regulations.

To facilitate the request received from a stakeholder, under sub-regulation (7) of regulation 46, who claims to be entitled to any amount deposited into the Corporate Liquidation Account for withdrawal before the dissolution of the corporate debtor, the liquidator, after due verification, shall apply to the Board in the prescribed form, for the release of the amount for onward distribution to such stakeholder.

For details:

<https://ibbi.gov.in/uploads/legalframework/d578543c7d3d9447faf0089802820ec2.pdf>

## ❖ Banking

### **Minutes of the Monetary Policy Committee Meeting, February 6 to 8, 2024 (February 22, 2024)**

The forty seventh meeting of the Monetary Policy Committee (MPC), constituted under Section 45ZB of the Reserve Bank of India Act, 1934, was held during February 6 to 8, 2024. On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting decided to: Keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 per cent. Consequently, the Standing Deposit Facility (SDF) rate remains unchanged at 6.25 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate at 6.75 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

For details:

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57366](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57366)

## Adjudication Order

February 20, 2024	Adjudication Order of penalties in the matter of <i>Gagan Narang Sports Promotion Foundation</i> under Section 454(3) read with section 92 read with of the Companies Act, 2013	Registrar of Companies Maharashtra, Pune
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### *Violation of provisions of Section 92(4) of the Companies Act, 2013-Non filing of Annual Return by the Company*

#### **Brief Facts:**

After inquiry and examination of records it has been observed that the company has not filed Annual Return for the F.Y. 2019-20. Thus, company and its directors has violated the of provisions of Section 92(4) and liable for action u/s 92(5) of the Companies Act, 2013. Adjudication officer has issued adjudication notice to the company and its officers in default for the violation. A reply to the Adjudication notice has been given by the company and its directors inter alia stating that company has conducted the Annual General meeting within the prescribed timeline for the financial year 2019-20 but failed to file the necessary forms with the Registrar of Companies. Now the company has complied and filed the necessary forms with the Hon'ble Registrar of Companies for the financial year 2019-20 vide SRN F59268565 dated 01/03/2023.

#### **Order:**

After considering the submission made in the application and facts of the case, it is proved beyond doubt that the company and the officers of the company have defaulted in complying the provisions under section 92(4)) of the Act and made the offence good on 01.03.2023. Further taking into the consideration the proviso of sub-section (3) of section 454 of the Companies Act, 2013 which inter alia provides that in case the default related to noncompliance of section 92 has been rectified either prior to, or within thirty days of the issue of the notice by the adjudicating officer, no penalty be imposed in this regard and all proceedings under this section in respect of such default shall be deemed to be concluded.

Having considering the facts and circumstances of the case and after taking into the account the provisions mentioned in the relevant Rules followed by amendments in section 454(3) of the Companies Act 2013, Registrar of Companies is of the opinion that no penalty shall be imposed for the default related to noncompliance of section 92 of the Act as the said default has been rectified by filing its Annual Return for the financial year ended 31-03-2020 on 01.03.2023 prior to issue of notice by Adjudicating officer. Accordingly, the company is directed to file e-form INC-28 with the office of ROC, Pune.

S. No	List of ICSI Latest Publication 2023 Onwards
1	Charter of Audit Committee - January 2023
2	Corporate Governance from Compliance to Excellence (Handbook on Best Practices) Version 2.0 - March 2023
3	FAQS on SEBI (Real Estate Investment Trusts) Regulations, 2014 - March 2023
4	FAQS on SEBI (Infrastructure Investment Trusts) Regulations, 2014 - March 23
5	Handbook on IFSCA - April 2023
6	Handbook on Business Responsibility and Sustainability - May 2023
7	FAQS on Section 8 Companies 2 <sup>nd</sup> Edition - June 2023
8	Ready Reckoner for Private Companies (Revised Edition) - June 2023
9	One Person Company - A Referencer - July 2023
10	NBFC - A Quick Referencer
11	Handbook on Producer Companies
12	Chartered Secretary Collector's Series (First Edition) - September 2023
13	ICSI (Management and Development of Company Secretaries in Practice) Guidelines, 2023 - November 2023
14	Charter of Board of Directors
15	Charter of Nomination and Remuneration Committee - January 24
16	Guidance Note on Annual Secretarial Compliance Report (Revised Edition) - January 24
17	Company Law Exploring Procedural Dimensions VOL I / II / III - December 2023

Weblink for Purchase: <https://www.icsi.edu/home/icsipublications/>

## ❖ Market Watch

Stock Market Indices as on 23.02.2024	
S & P BSE Sensex	73,142.80 (-15.44)
Nifty 50	22,212.70 (-4.75)

Foreign Exchange Rates as on 23.02.2024 ( <a href="https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx">https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx</a> )			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
82.88	89.71	104.95	0.55

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu),

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