

Info Capsule

Friday, November 24, 2023

President

CS Manish Gupta

Vice President

CS B Narasimhan

❖ ESG

Starbucks to form new ESG oversight committee (November 23, 2023)

Starbucks has announced plans to create a new *Environmental, Partner and Community Impact (EPCI) Board Committee*, to improve transparency and accountability for its environmental, social, and corporate governance (ESG) initiatives.

The EPCI Committee will assist Starbucks' Board of Directors in responding to shifting regulations and standards compliance while overseeing internal and external reporting tools and assessments. This includes Starbucks' annual Global Environment and Social Impact Report (GESI), which details progress across ESG initiatives.

For details:

<https://www.worldcoffeeportal.com/Latest/News/2023/November/Starbucks-to-form-new-oversight-committee-to-supposeh>

❖ Ministry of Commerce & Industry

Commerce Ministry to collaborate with e-commerce companies to promote exports from districts (November 23, 2023)

In a significant move to enable micro, small and medium enterprises (MSMEs) and boost e-commerce exports from the country, Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry, Government of India is collaborating with the various e-commerce players to leverage the Districts as Export Hubs initiative and promote e-commerce exports from the country. In first such collaboration with different e-commerce platforms, DGFT has signed a memorandum of understanding (MoU) with Amazon India.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1979068>

❖ Technology and Automation News

Smt. Sitharaman stresses on building awareness among people to curb cyber fraud (November 23, 2023)

Finance Minister Smt. Nirmala Sitharaman on November 23, 2023 said there was a need to build awareness among people on cyber frauds and take the reins of technology in our hands to stop scamsters from gaming the system.

For details:

https://www.business-standard.com/finance/news/sitharaman-stresses-on-building-awareness-among-people-to-curb-cyber-fraud-123112300400_1.html

❖ **Banking**

• **Lenders asked to avoid risks: FM Sitharaman (November 23, 2023)**

Finance minister Nirmala Sitharaman on November 23, 2023 urged lenders to exercise prudence while lending, reinforcing the Reserve Bank of India's (RBI) advice to adhere to core banking practices amid the push for digital transformation. In her address at the Digital Acceleration & Transformation Expo 2023, Sitharaman highlighted the RBI's warning to Non-Banking Financial Companies (NBFCs) and Small Finance Banks (SFBs) against overextending their lending activities.

For details:

<https://www.livemint.com/industry/banking/lenders-asked-to-avoid-risks-fm-sitharaman-11700744362519.html>

• **Regulations must support innovation: RBI Deputy Governor Rajeshwar Rao (November 24, 2023)**

The regulatory framework must be redefined in such a manner that it supports innovation, Reserve Bank of India (RBI) Deputy Governor Rajeshwar Rao said in a speech on November 23, 2023. "The innovations and collaborations need to be well thought out, risks properly analysed and mitigation plans must be put in place before offering them to customers," he said at an event organised by Federation of Indian Chambers of Commerce and Industry and the Indian Banking Association.

For details:

<https://www.financialexpress.com/business/banking-finance-regulations-must-support-innovation-rbi-deputy-governor-rajeshwar-rao-3315669/>

❖ **Terminology for Today**

Anglo-Saxon Model

A term describing the shareholder-centric corporate governance models practiced in the US, UK, and other English-speaking countries. The model seeks to maximize shareholder value, encourage management participation, emphasize transparency and enforce contracts and standards.

❖ **Market Watch**

Stock Market Indices as on 24.11.2023	
S & P BSE Sensex	65,970.04 (-47.77)
Nifty 50	19,794.70 (-7.30)

Foreign Exchange Rates as on 24.11.2023 <i>(https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.36	90.93	104.55	.5585

❖ Pronouncement

November 17, 2023	Krishana Kumar Aggarwal (Appellant) vs. The Registrar of Companies (Respondent)	National Company Law Appellate Tribunal Principal Bench, New Delhi Company Appeal (AT) No. 03 of 2022
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Brief Facts:

The name of the Company was struck off by the Registrar of Companies as per provisions of Section 248(1) (c) of the Act read with Rule 9 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016. The Company appeal to NCLT. NCLT in its order observed that the Company seems to be defunct Company as it has NIL revenue from operations during the Financial Year 2016-17 to 2018- 19 and has not attached any evidence to show filing of any Income Tax Returns during the last decade and accordingly the Appeal was dismissed.

The present Appeal has been filed by the company before NCLAT under Section 421 of the Companies Act, 2013, against the Impugned Order passed by the NCLT.

Judgement

Hon'ble NCLAT reliance placed on the Judgement dated 08.02.2023, in *Comp. App. (AT) No. 165 of 2021, in the matter of 'GRS Properties Private Limited' Vs. 'Office of Registrar of Companies, NCT of Delhi & Haryana', where in the NCLAT held that:*

"7. After hearing the parties, going through the pleadings made on behalf of the parties and in view of the fact that the Audited Financial Balance Sheets of the Year 2015-16, 2016-17, 2017-18, 2018-19 & 2019- 20 of the Appellant /Company shows that the Appellant/Company is having substantial movable as well as immovable assets. Therefore, it cannot be said that the Appellant/Company is not carrying on any business or operations. Hence, we are of the view that the order passed by the National Company Law Tribunal (New Delhi, Bench-V) as well as Registrar of Companies, NCT Delhi & Haryana is not sustainable in law."

Further, the NCLAT referred to the Judgement dated 06.12.2019, in the matter of *'Calcutta Rubber Factory Pvt. Ltd. & Ors.' Vs. 'Registrar of Companies, Delhi and Haryana', 2019 SCC OnLine NCLAT 851.*

NCLAT inter alia observed that in the present case, the Company had complied with the statutory filings till Financial Year 2016-17 and the statutory filings for Financial Year 2017-18 were not due as on the date of striking off of the Company. The Company is having assets and liabilities. It owns one property and has liability to repay credits of Rs.21 Lakhs/- Since the Company has substantial assets and liabilities, it cannot be said that the Company is not carrying on any business for operations. Considering the facts and circumstances of this case, NCLAT found that the Order passed by the NCLT is not sustainable in law.

Prepared by Directorate of Academics

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

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