

# Info Capsule

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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)

President : CS Nagendra D. Rao

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## ❖ Ministry of Corporate Affairs

### **The Companies (Incorporation) Second Amendment Rules, 2021 (February 01, 2021)**

The MCA vide notification dated February 01, 2021 has issued the Companies (Incorporation) Second Amendment Rules, 2021 for notifying the Amendments as announced in the Budget 2021, for OPCs. Amendment has been introduced w.r.t. Allowing non-resident Indians to incorporate OPCs in India, Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days, Thresholds limit of Paid-up share capital exceeding Rs. 50 lakhs and turnover exceeding Rs. 2 crores for compulsory conversion of OPC into Public/Private Company has been removed, Conversion of OPC into any other type of company at any time has been allowed etc.

For details

[http://www.mca.gov.in/Ministry/pdf/SecondAmndtRules\\_02022021.pdf](http://www.mca.gov.in/Ministry/pdf/SecondAmndtRules_02022021.pdf)

## ❖ Securities Laws and Capital Markets

### SEBI Circulars

- **Setting up of Limited Purpose Clearing Corporation (LPCC) by Asset Management Companies (AMCs) of Mutual Funds (February 2, 2021)**

SEBI released guidelines for setting up of Limited Purpose Clearing Corporation (LPCC) by asset management companies, making it obligatory for them to contribute towards the share capital of such entities. The LPCC is an entity established to undertake the activity of clearing and settlement of repo transactions in corporate debt securities. Accordingly, it has been decided that AMCs shall contribute INR 150 crore towards share capital of LPCC in proportion to the Asset Under Management (AUM) of open ended debt oriented mutual fund schemes (excluding overnight, gilt fund and gilt fund with 10 year constant duration but including conservative hybrid schemes) managed by them.

For details:

[https://www.sebi.gov.in/legal/circulars/feb-2021/setting-up-of-limited-purpose-clearing-corporation-lpcc-by-asset-management-companies-amcs-of-mutual-funds\\_48982.html](https://www.sebi.gov.in/legal/circulars/feb-2021/setting-up-of-limited-purpose-clearing-corporation-lpcc-by-asset-management-companies-amcs-of-mutual-funds_48982.html)

- **Revised Framework for Innovation Sandbox (February 2, 2021)**

In order to encourage innovation and make it even more convenient for participation in the Innovation Sandbox, the objective and eligibility criteria of the Innovation Sandbox has been revised with graded entry norms. Innovation Sandbox facilitates access to an environment (testing facilities and test data) provided by Enabling Organizations like Stock Exchanges, Depositories and Qualified Registrar and Share Transfer Agents (QRTAs) wherein innovators (hereinafter referred to as Sandbox Applicants) would be testing their innovations in isolation from the live market and would be used for offline testing of the proposed solution of the applicant.

For details:

[https://www.sebi.gov.in/legal/circulars/feb-2021/revised-framework-for-innovation-sandbox\\_48983.html](https://www.sebi.gov.in/legal/circulars/feb-2021/revised-framework-for-innovation-sandbox_48983.html)

## News

- **Delhi high court freezes Rs 25,000 crore Future-RIL deal (February 2, 2021)**

In a relief to Amazon, the Delhi high court on Tuesday said it is of the "clear view" that the emergency award (EA) by the Singapore International Arbitration Centre (SIAC) is enforceable in India. It has asked Future Group to not proceed with the Rs 24,731 crore deal with Reliance Industries (RIL) till it pronounces a final order. The court said it is "satisfied that immediate orders are necessary to protect the rights of the petitioner (Amazon)."

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/delhi-hc-orders-status-quo-on-future-reliance-deal/articleshow/80655845.cms>

- **SC orders Franklin Templeton to pay Rs 9,122 crore to unit holders (February 2, 2021)**

The Supreme Court on Tuesday directed Franklin Templeton Mutual Fund to pay Rs 9,122 crore among unitholders of six mutual fund schemes that were shut down by the company abruptly. The apex court has asked the amount be disbursed among the unit holders in proportion to the respective interests in the assets of the scheme.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/sc-orders-franklin-templeton-to-pay-rs-9122-crore-to-unit-holders/articleshow/80652767.cms>

- **Investors richer by Rs. 10.5 trn after Budget; Sensex crosses 50K-mark again (February 2, 2021)**

The benchmark indices notched record closing highs on Tuesday as the buying frenzy triggered by the Budget continued for the second day. The Sensex even pierced the historic 50,000 mark in intra-day trade for the second time after January 21. The index rallied as much as 1,554 points before giving up some gains.

*For details:*

[https://www.business-standard.com/article/markets/investors-richer-by-rs-10-5-trn-after-budget-sensex-crosses-50k-mark-again-121020202108\\_1.html](https://www.business-standard.com/article/markets/investors-richer-by-rs-10-5-trn-after-budget-sensex-crosses-50k-mark-again-121020202108_1.html)

## ❖ Terminology for Today

### Content Management System (CMS)

Content Management System (CMS) is a computer program or software application used to create, modify, store and manage digital content.

## ❖ Indirect Tax

### Customs

- **Notification to prescribe effective rate of BCD - Notification No. 02/2021 – Customs (February 01, 2021)**

This notification seeks to further amend notification No. 50/2017-Customs dated June 30, 2017 so as to prescribe effective rate of Basic Customs Duty (BCD).

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs02-2021.pdf>

- **BCD exemption withdrawn on specified parts of transformers - Notification No. 04/2021 – Customs (February 01, 2021)**

This notification seeks to further amend notification No. 25/99-Customs dated February 28, 1999 so as to withdraw Basic Custom Duty exemption on the specified parts of transformers.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs04-2021.pdf>

- **Notification to exempt temporary imports of costumes and props for film making - Notification No. 08/2021 – Customs (February 01, 2021)**

This notification seeks to further amend notification No. 153/94-Customs dated July 13, 1994 so as to include temporary imports of costumes and props for film-making in the goods exempted.

For details: <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-tarr2021/cs08-2021.pdf>

## ❖ Market Watch

### Stock Market Indices as on 03.02.2021

|                  |                    |
|------------------|--------------------|
| S & P BSE Sensex | 50255.75 (+458.03) |
| Nifty 50         | 14789.95 (+142.10) |

### Foreign Exchange Rates as on 02.02.2021

(<https://www.fbil.org.in/#/home>)

| INR / 1 USD | INR / 1GBP | INR / 1 EUR | INR/ 1 JPY |
|-------------|------------|-------------|------------|
| 72.9805     | 99.8602    | 88.1113     | .6953      |

### Prepared by Directorate of Academics

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269

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