Info Capsule

Thursday
May 13, 2021

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**

Vice President **: CS Devendra V. Deshpande**

❖ *Latest @ ICSI*

Live Webinar on COVID-19: Mental Health & Wellness during the pandemic

The ICSI is conducting a Live Webinar on COVID-19: Mental Health & Wellness during the pandemic on May 14, 2021 at 11:00 AM onwards.

For details:
https://www.icsi.edu/media/webmodules/ICSI_webinar.pdf

❖ *Ministry of Corporate Affairs*

List of forms providing waiver of additional fee as per Circular no. 06/2021 and 07/2021 (May 13, 2021)

The MCA has issued list of forms for which additional fee waiver is made available as per Circular no. 06/2021 and 07/2021, namely:

S.No.	*Form ID*	*Form description*
1	Form CHG-1	Application for registration of creation, modification of charge (other than those related to debentures)
2	Form CHG-9	Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures
3	Form ADT-1	Information to the Registrar by company for appointment of auditor
4	Form INC-22	Notice of Situation or Change of situation of Registered Office of the Company
5	FORM NDH-3	Return of Nidhi Company for the half year ended
6	FORM FC-4	Annual Return of a Foreign Company
7	FORM MSC-3	Return of dormant companies
8	FORM INC-27	Conversion of public company into private company or private company into public company
9	FORM NDH-2	Application for extension of time
10	FORM-IEPF-3	Statement of shares and unclaimed or unpaid dividend not transferred to the Investor Education and Protection Fund

For details:
http://www.mca.gov.in/Ministry/pdf/FeeWaiver_13052021.pdf

❖ *Securities Laws and Capital Markets*

SEBI Circular

- **Procedure for seeking prior approval for change in control of SEBI registered Portfolio Managers (May 12, 2021)**

  SEBI vide its circular dated April 26, 2021 inserted Regulation 11(aa) in SEBI (Portfolio Managers) Regulations, 2020 which provides that a Portfolio Manager shall obtain prior approval of SEBI in case of change in control in such manner as may be specified by SEBI. Accordingly, it has been decided vide this circular that all SEBI registered Portfolio Managers shall comply with the procedure in case they propose a change in control.

  Portfolio managers have to take prior approval from SEBI by applying through the SEBI Intermediary Portal which shall be valid for a period of six months from the date of such approval. Applications for fresh registration pursuant to change in control shall be made to SEBI within six months from the date of prior approval. Pursuant to grant of prior approval by SEBI, all the existing investors/ clients shall be informed about the proposed change prior to effecting the same, in order to enable them to take well informed decision regarding their continuance or otherwise with the changed management.

  For details: https://www.sebi.gov.in/legal/circulars/may-2021/procedure-for-seeking-prior-approval-for-change-in-control-of-sebi-registered-portfolio-managers_50116.html

SEBI Notification

- **Entities specified for qualified financial market participants under Bilateral Netting of Qualified Financial Contract Act, 2020 (May 12, 2021)**

  In exercise of the powers conferred by clause (b) of Section 4 read with sub-clause (vi) of clause (o) of sub-section (1) of section 2 of the Bilateral Netting of Qualified Financial Contract Act, 2020 (30 of 2020), the SEBI has specified the Mutual Funds and Alternative Investment Fund registered with SEBI as qualified financial market participants. These entities may enter into qualified financial contracts notified by any regulatory authority as specified in the First Schedule.

  For details: https://egazette.nic.in/WriteReadData/2021/226979.pdf

❖ *Terminology for today*

Waterfall Model

Waterfall model is a traditional project management approach to the project lifecycle. The model works in a similar pattern like a 'waterfall'. The project development takes place systematically, from one phase to another in a downward fashion. Each phase has to be completed before moving on to the next phase and there is no overlapping of the phases, making it difficult to make any amendments.

❖ *Banking and Insurance*

- **Sponsor Contribution to an AIF set up in Overseas Jurisdiction, including IFSCs (May 12, 2021)**

  It has been decided by the RBI that any sponsor contribution from a sponsor Indian Party (IP) to an Alternative Investment Fund (AIF) set up in an overseas jurisdiction, including International Financial Services Centres (IFSCs) in India, as per the laws of the host jurisdiction, will be treated as Overseas Direct Investment (ODI). Accordingly, IP, as defined in regulation 2(k) of the Notification ibid. can set up AIF in overseas jurisdictions, including IFSCs, under the automatic route provided it complies with Regulation 7 of the Notification FEMA 120/2004-RB.

  For details:
  https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12092&Mode=0

- **Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) (First Amendment) Regulations, 2021 (May 12, 2021)**

  Insurance Regulatory and Development Authority of India has issued above regulations to provide the manner in which the premium and unearned premium reserve should be recognized by insurers carrying on general insurance business.

  For details:
  https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4486&flag=1

❖ *International Business and Economic News*

Corporate Governance Code increases reporting on remuneration practices (May 13, 2021)

Companies are better aligning their Board remuneration policy and practices with long-term shareholder interests according to new research conducted by the Financial Reporting Council (FRC) and the University of Portsmouth. This research assessed a sample of FTSE 350 companies to determine the extent to which they have applied requirements set by the updated UK Corporate Governance Code in 2020.

For details:
https://www.miragenews.com/corporate-governance-code-increases-reporting-559077/

❖ *Business and Economic News*

- **Centre clears appointment of 4 members for National Consumer Disputes Redressal Commission (May 12, 2021)**

  The Appointment Committee of the Cabinet has approved the proposal of the Department of Consumer Affairs for appointment to 4 posts of Members (2 judicial and 2 non-judicial) in the National Consumer Disputes Redressal Commission (NCDRC) for a period of 4 years w.e.f. the date of their assumption of charge of the post, or upto attaining the age of 67 years, or until further orders, whichever is the earliest, subject to the final outcome of the Writ Petition filed in the Bombay High Court, Nagpur Bench.
  For details:
  https://www.indialegallive.com/top-news-of-the-day/news/ncdrc-members-karuna-nand-bajpayee-ram-surat-ram-maurya-subhash-chandra-binoy-kumar/

- **WhatsApp faces fresh trouble in Germany for its new privacy policy (May 12, 2021)**

  As per a report from *Reuters*, Germany's lead data protection regulator opened emergency proceedings against Facebook last month and has now ordered the social network to stop processing personal data from WhatsApp users as it views the messaging app's new terms of use as illegal. The regulator is invoking extraordinary powers granted under the GDPR to impose a three-month freeze on Facebook's collection of WhatsApp user data. The decision comes in mere days before the May 15 deadline for consenting to WhatsApp's new terms. The Data Protection Authority will also be seeking an EU-wide ruling at the European Data Protection Board
  For details:
  https://www.xda-developers.com/whatsapp-faces-fresh-trouble-in-germany-for-its-new-privacy-policy/

- **12,930 companies shut down operations in financial year 2020-21 (May 13, 2021)**

  Amid the Covid pandemic and lockdowns that significantly disrupted economic activities since March last year, as many as 1,107 companies closed their operations voluntarily in the financial year 2020-21 in the northern region. However, in 2019-20 fiscal, 3,380 companies had wound up their operations.
  According to data released by the Ministry of Corporate Affairs (MCA), the maximum number of companies that ceased to exist were in Haryana (436), followed by Punjab (315), Himachal Pradesh (192) and Chandigarh (164). The companies shut down their businesses voluntarily and not due to any penal action.
  For details:
  https://www.tribuneindia.com/news/business/12-930-companies-shut-down-operations-in-financial-year-2020-21-251905

- **IRDAI directs insurers to continue to renew/sell COVID-19 policies (May 12, 2021)**

  Insurance companies are refusing to renew Corona Kavach, the special Covid-19 policy launched last year to provide a hospital cover against admissions arriving due to the disease. The main reason behind the hesitancy in renewing the insurances is due to the rising number of claims, as many across the country catch the deadly virus, especially amid the second Covid-19 wave.

  Taking note of the situation, insurance regulator IRDA has directed insurance companies to continue the renewal and sale of the Corona Armor Policy till September 30, 2021. Previously, insurers were expecting that the IRDA won't extend the policy renewal and sale after March 31, 2021.

  For details:
  https://zeenews.india.com/personal-finance/good-news-irdai-directs-insurers-to-continue-to-renew/sell-covid-19-policies-2361451.html

❖ *Market Watch*

Stock Market Indices as on 13.05.2021	
S & P BSE Sensex	48690.80 (-471.01)
Nifty 50	14696.50 (-154.25)

Foreign Exchange Rates as on 12.05.2021
(https://www.geojit.com/currency-futures/rbi-reference-rate)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
73.40	103.75	89.18	0.68

Prepared by Directorate of Academics

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

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