

Info Capsule

Wednesday
June 16, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

• ICSI celebrates 33rd PCS Day (June 15,2021)

To commemorate the occasion of 33rd PCS Day, this year, the ICSI organised a webinar on a theme relevant to the present times "Sustaining the Challenging Times : Passion, Innovation & Technology". Shri. V Muraleedharan, Union Minister of State for External Affairs & Parliamentary Affairs, graced the occasion as the Chief Guest.

For details:

https://www.icsi.edu/media/webmodules/Press_Release_ICSI_celebrates_33rd_PCS_Day.pdf



**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)

- **ICSI representation to RBI requesting relaxation from compliance with various reporting requirements under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 due to the Second Wave of COVID-19 pandemic (June 15, 2021)**

On account of resurgence of Covid-19 Pandemic, the companies are facing lots of difficulties in complying with RBI reporting requirements due to problem in signing of documents from Authorized Signatories.

In this regard, the ICSI requested the RBI to kindly consider to grant relaxation of time period for filing the following forms without levy of additional fees, namely:

- 1) **Annual Return on Foreign Liabilities and Assets (FLA)** - The last date to submit FLA may be extended till August 15, 2021.
- 2) **External Commercial Borrowings** - The Requirement to file form 'ECB-2 Return' may be extended to two months.
- 3) **Form Foreign Currency- Transfer of Shares (FC- TRS)** - The timeline for filing be extended from 60 days to 90 days of transfer of capital instruments or receipt/ remittance of funds whichever is earlier.
- 4) **Form ODI**- The timeline for filing be extended from 30 days to 60 days.
- 5) **Form DI**- The timeline for filing be extended from 30 days to 60 days from the date of allotment of capital instruments.
- 6) **Form InVi**- The time line for filing be extended from 30 days to 60 days from the date of issue of units.
- 7) **Form ESOP**- The time line for filing be extended from 30 days to 60 days from the date of issue of employees' stock option.
- 8) **Form LLP (I)** - The timeline for filing be extended from 30 days to 60 days from the date of receipt of the amount of consideration.
- 9) **Form LLP (II)** - The timeline for filing be extended from 60 days to 90 days from the date of receipt of funds.
- 10) **Form CN**- The timeline for filing be extended from 30 days to 60 days of issue of Convertible Notes.

For details:

https://www.icsi.edu/media/webmodules/Request_RBI_relax_time_period_filing_forms_2021.pdf

❖ *Ministry of Corporate Affairs*

The Companies (Meetings of Board and its Powers) Amendment Rules, 2021 (June 15, 2021)

The MCA vide Notification dated June 15, 2021 has omitted Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 which was related to the matters not to be dealt with in a meeting through video conferencing or other audio-visual means.

Accordingly, with the said amendment, now the following items can be considered in a Board Meeting held through video conferencing or other audio-visual means, namely: -

- i. the approval of the annual financial statements;
- ii. the approval of the Board's report;
- iii. the approval of the prospectus;
- iv. the Audit Committee Meetings for consideration of financial statement including consolidated financial statement if any, to be approved by the board under section 134 (1) of the Companies Act, 2013; and
- v. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.

For details:

<https://egazette.nic.in/WriteReadData/2021/227614.pdf>

❖ *Market Watch*

Stock Market Indices as on 16.06.2021

S & P BSE Sensex	52501.98 (-271.07)
Nifty 50	15767.55 (-101.70)

Foreign Exchange Rates as on 15.06.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.11	88.56	103.14	0.67

❖ **Securities Laws and Capital Markets**

SEBI Circular

- **Relaxation from the requirement of minimum vesting period in case of death of employee(s) under SEBI (Share Based Employee Benefit) Regulations, 2014 (June 15, 2021)**

The SEBI has relaxed the minimum vesting period requirement for employee stock options (options) in the event of death of an employee in view of the COVID-19 pandemic situation, to provide relief to the families of the deceased employees of listed companies. The provisions under SEBI (Share Based Employee Benefit) Regulations, 2014 relating to minimum vesting period of one year shall not apply in case of death (for any reason) of an employee and in such instances all the options, stock appreciation rights (SAR) or any other benefit granted to such employee(s) shall vest with his/her legal heir or nominee on the date of death of the employee.

This relaxation shall be available to all such employees who have deceased on or after April 01, 2020.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/relaxation-from-the-requirement-of-minimum-vesting-period-in-case-of-death-of-employee-s-under-sebi-share-based-employee-benefit-regulations-2014_50545.html

SEBI Adjudication Order

- **In the matter of Birla Pacific Medspa Limited (BPML) (June 15, 2021)**

SEBI imposed a monetary penalty of Rs 5 lakh each on M/s. N P Enterprise (proprietor- Narendra Sanghvi) and M/s Laxmi Trading (proprietor - Malti Sanghvi) ('Notices') for violations of Regulations 3(a),(b),(c)&(d) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations read with Section 12A(a), (b) & (c) of the SEBI Act. It was alleged that the money out of the IPO proceeds have been fraudulently diverted to Notices who have aided and abetted BPML in diversion of these proceeds of the IPO.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-respect-of-m-s-n-p-enterprises-proprietor-narendra-sanghvi-and-m-s-laxmi-trading-proprietor-malti-sanghvi-in-the-matter-of-birla-pacific-medspa-limited_50557.html

❖ **Direct Tax**

Finance Ministry to hold meeting on 22nd June, 2021 with Infosys on issues in new Income Tax Portal [PIB Dated June 15th 2021]

Senior officials of the Ministry of Finance, Government of India, will hold an interactive meeting on the 22nd of June, 2021 with Infosys (the vendor and its team) on issues/glitches in the recently launched e-filing portal of the Income Tax Department. The new portal has been fraught with several technical glitches/issues leading to taxpayer inconvenience. Written representations on the problems/difficulties faced in the portal have also been invited from the stakeholders. Representatives from Infosys team will be present to answer queries, clarify issues and receive inputs on the working of the portal, to remove glitches and sort out issues faced by the taxpayers.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1727339>

❖ **Banking and Insurance**

• **Experts see new surge in bad loans, could rise to 13-15% this FY (June 16, 2021)**

With a number of large banks and Non-Banking Finance Companies facing fresh challenges posed by the second Covid wave, bad loans are projected to see a fresh spike as the rising stress across sectors is beginning to impact the repayment capacity of borrowers. Analysts estimate that non-performing assets (NPAs) will jump from a little under 8 per cent in the previous fiscal year — helped by restructuring, write-offs and regulatory relaxations including a loan moratorium — to 13-15 per cent in 2021-22.

For details:

<https://indianexpress.com/article/business/banking-and-finance/experts-see-new-surge-in-bad-loans-could-rise-to-13-15-per-cent-this-fy-7360806/>

• **BoB to offer flexible working model to employees; focus on mobile banking (June 15, 2021)**

State-owned Bank of Baroda (BOB) is working towards providing a flexible working model to its employees aimed at striking a work-life balance and productivity enhancement in the long run. The work environment went through a sea change during the pandemic and employees are able to work from home and office, the bank said in its annual report for 2020-21.

For details:

https://www.business-standard.com/article/companies/bob-to-offer-flexible-working-model-to-employees-focus-on-mobile-banking-121061501248_1.html

❖ *Insolvency and Bankruptcy*

NCLT questions haircut taken by Videocon Industries creditors (June 15, 2021)

The Mumbai bench of the National Company Law Tribunal (NCLT) has questioned the haircut that creditors have to take in the Videocon Industries Ltd's (VIL) resolution plan. The resolution applicant was paying close to the liquidation value to acquire the company, the tribunal noted in the order approving the resolution plan submitted by Anil Agarwal's Twin Star Technologies.

The consolidated resolution amount for 13 companies offered by Twin Star stands at ₹2,962 crore against the admitted claims of ₹64,838 crore. This accounts for only 4.15% of the total outstanding claim and a total haircut of 95.85% to all the creditors.

NCLT observed that "Even if the confidentiality clause is in existence, in view of the facts and circumstances as discussed above, a doubt arises upon the confidentiality clause being in real-time use. Therefore, we request the Insolvency and Bankruptcy Board of India to examine this issue in depth to ensure that the confidentiality clause is followed scrupulously, without any compromise in letter and spirit by all the concerned parties and entities connected in the corporate insolvency resolution process,"

While approving the resolution, the NCLT said the resolution applicant should increase the payout to operational creditors, especially micro, small and medium enterprises.

For details:

<https://www.livemint.com/companies/news/nclt-questions-vedanta-s-bid-value-for-videocon-firm-to-delist-as-part-of-resolution-11623765692793.html>

Prepared by Directorate of Academics

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

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

ICSI Motto
सत्यं वद। धर्मं चर।
वृत्तान्ते धेनुं प्राणोः श्लोकेऽस्य धेनुः।

MISSION
"To develop high calibre professionals
facilitating good corporate governance"

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