

Info Capsule

Monday
December 21, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

- **The ICSI confers Honorary CS Degree on Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur at the 48th National Convention of Company Secretaries (December 19, 2020)**

The ICSI has conferred the Honorary CS Degree onto Hon'ble Minister of State for Finance and Corporate Affairs, Shri Anurag Singh Thakur in the virtual presence of Chief Guest of the day, Shri Om Birla, Hon'ble Speaker, Lok Sabha, on the third day of the 48th National Convention of Company Secretaries, at Indore.

For details:

https://www.icsi.edu/media/webmodules/PR_NationalConvention3rdDay.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)

❖ Latest @ ICSI

- **National E-Convocation of ICSI (December 19, 2020)**

The ICSI is holding its first ever national E-Convocation in the first / second week of January, 2021 for awarding certificates to its Associate & Fellow members who have received their membership during the period from October 01, 2019 till September 30, 2020 (i.e. ACS 59867 to ACS 63260 / FCS 10427 to FCS 10783).

For details:

https://www.icsi.edu/media/webmodules/ICSI_national_E_Convocation_2020.pdf

- **Corporate Secretary's Tool Kit Training Programme (December 19, 2020)**

The ICSI invites applications for Corporate Secretary's tool kit Training Programme on Governance, Risk & Compliances [GRC] - International Practices and Role of CS (Session-1). The online Corporate Secretary's Tool Kit Training Programme is organized by ICSI in association with Corporate Secretaries International Association (CSIA) and International Finance Corporation (IFC). The Programme is aimed at developing skill sets of the new age Governance Professionals and emphasises on their role in developing good corporate governance practices.

For details:

https://www.icsi.edu/media/webmodules/CORPORATE_SECRETARY%E2%80%99S_TOOL_KIT_FLYER.pdf

- **ICSI Global Connect Newsletter (December 20, 2020)**

The ICSI has published volume -1 of ICSI Global Connect, an International Newsletter for Governance Professional covering Recent Regulatory Developments around the World.

For details:

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

❖ **Ministry of Corporate Affairs**

• **The Companies (Compromises, Arrangements and Amalgamations) Second Amendment Rules, 2020 (December 17, 2020)**

The MCA on December 17, 2020 has notified the Companies (Compromises, Arrangements and Amalgamations) Second Amendment Rules, 2020. The amendment seeks to insert the new definition for the term “corporate action”, which means any action taken by the company relating to transfer of shares and all the benefits accruing on such shares namely, bonus shares, split, consolidation, fraction shares and right issue to the acquirer”.

Further, a new Rule 26A has been inserted w.r.t. the purchase of minority shareholding held in demat form.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223774.pdf>

• **MCA has deferred CARO 2020 applicability (December 17, 2020)**

The MCA has further deferred the applicability of the Companies (Auditor’s Report) Order (CARO) 2020, by one year i.e. till April 01, 2021.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223784.pdf>

• **The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 (December 18, 2020)**

With this Amendment, MCA has given relief in the time period to pass the online proficiency exam. Now, an individual shall pass the online proficiency self-assessment test within a period of two years (instead of earlier 1 year) from the date of inclusion of his name in the database with only 50% as pass percentage.

Further, MCA has also expanded the eligibility criteria for exemption from taking the online proficiency self-assessment test and eased the experience criteria for an individual who has served as a director or KMP, for a total period of not less than 3 years (earlier 10 years), as on the date of inclusion of his name in the databank in certain public Companies/Body corporates or holding a Designation in organizations specified by the Central Government.

For details:

<http://www.egazette.nic.in/WriteReadData/2020/223776.pdf>

❖ **Terminology for Today**

Critical success factor

A critical success factor is an element that must occur in order for a business to achieve its ultimate goal.

❖ **Securities Laws and Capital Markets**

SEBI Circular

- **Framework for issue of Depository Receipts – Clarifications (December 18, 2020)**

SEBI vide its Circular No. SEBI/HO/MRD/DOP1/CIR/P/2019/106 dated October 10, 2019 laid down a Framework for issue of Depository Receipts. SEBI has revised Para 2.15 of the said circular specifies the criteria for Permissible holders of Depository Receipts and further Para 2.12A has been inserted and provided as “The onus of identification of NRIs holders, who are issued DRs in terms employee benefit scheme, would lie with the listed company. The listed company shall provide the information of such NRI DR holders to the designated depository for the purpose of monitoring of limits.”

For details:

https://www.sebi.gov.in/legal/circulars/dec-2020/framework-for-issue-of-depository-receipts-clarifications_48477.html

Final Order

- **In the matter of front-running by Manish Chaturvedi & Others (December 18, 2020)**

SEBI barred 16 entities from the capital markets for up to seven years for indulging in front-running activities. The entities have been prohibited from the capital markets for a period ranging from five to seven years. Of the 16 entities, six have been asked to disgorge illegal gains of nearly Rs 20 crore.

Front-running refers to an illegal practice in stock market where an entity trades on the basis of advance information from a broker or analyst before the information has been made available to their clients.

For details:

https://www.sebi.gov.in/enforcement/orders/dec-2020/final-order-in-the-matter-of-front-running-by-manish-chaturvedi-and-others-_48484.html

❖ **Market Watch**

Stock Market Indices as on 21.12.2020

S & P BSE Sensex	45553.96 (-1406.73)
Nifty 50	13328.40 (-432.15)

Foreign Exchange Rates as on 18.12.2020

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

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.5146	99.4971	90.0348	.711

❖ **Banking and Insurance**

• **Amendment to Master Direction (MD) on KYC – Centralized KYC Registry (CKYCR) – Roll out of Legal Entity Template & other changes (December 18, 2020)**

Where a customer, for the purpose of establishing an account based relationship, submits a KYC Identifier to a Regulated Entities (RE), with an explicit consent to download records from CKYCR, then such RE shall retrieve the KYC records online from CKYCR using the KYC Identifier and the customer shall not be required to submit the same KYC records or information or any other additional identification documents or details, unless there is a change in the information of the customer as existing in the records of CKYCR, the current address of the customer is required to be verified, the RE considers it necessary in order to verify the identity or address of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the client.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12008&Mode=0>

❖ **Business and Economics News**

• **Reliance Jio to go for next generation network architecture for 5G (December 21, 2020)**

Reliance Jio is planning to launch the next generation 5G standalone Option 2 architecture for its network and skip the current interim standard used by most of the networks across the globe. The current interim architecture, known as non-standalone 5G, enables operators to leverage their existing investments in their 4G LTE networks and reduce capital costs.

For details:

https://www.business-standard.com/article/companies/reliance-jio-to-go-for-next-generation-network-architecture-for-5g-120122100020_1.html

• **Government likely to extend IBC suspension to prevent companies from being forced into insolvency proceedings (December 21, 2020)**

Much to the relief of small businesses, the Government is likely to extend IBC suspension further to prevent companies from being forced into insolvency proceedings due to debt defaults triggered by the COVID-19 crisis. The government may extend IBC suspension by another three months.

For details:

<https://www.timesnownews.com/business-economy/industry/article/government-likely-to-extend-ibc-suspension-to-prevent-cos-from-being-forced-into-insolvency-proceedings/697067>

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

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

ICSI Motto
सत्यं वद। धर्मं चर।
Speak the truth. Abide by the law.

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

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