

Info Capsule

Wednesday
June 30, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ICSI

• Inputs for Quarterly e-Newsletter "ICSI Global Connect" (June 29, 2021)

The ICSI has requested the members to share articles, write-ups, inputs, opportunities etc. at overseas@icsi.edu on or before July 15, 2021 for the quarterly e-newsletter "ICSI Global Connect".

For details:

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

• GST Day Celebrations, 2021

On the occasion of fourth anniversary of implementation of GST in India, the ICSI is celebrating GST Day, 2021 on July 01, 2021 at 5:00 PM to 7:30 PM. Members will be awarded 2 CPE Credits (Unstructured).

For details:

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

❖ Ministry of Corporate Affairs

• Relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013- Extension of time- reg. (June 30, 2021)

In continuation to General Circular No.07/2021 dated May 03, 2021, the MCA has decided to substitute the figures "31.05.2021" and "01.06.2021" wherever they appear in the said circular with the figures "31.07.2021" and "01.08.2021" respectively.

The other requirements as mentioned in the said circular shall remain unchanged and this Circular shall be without prejudice to any belated filings that may have already been made along with additional fees/ advalorem fee.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mids=vqTLu4GNC8MKujYEiUpIEg%253D%253D&type=open>

• Relaxation on levy of additional fees in filing of certain Forms under the Companies Act, 2013 and LLP Act 2008- Extension of time. (June 30, 2021)

In continuation to General Circular No: 06/2021 dated May 03, 2021, the MCA has granted additional time upto August 31, 2021 to companies/LLPs to file forms under the Companies Act, 2013/ LLP Act, 2008 (other than a CHG-1 Form, CHG-4 Form and CHG-9 Form) which were/are due for filing during April 01, 2021 to July 31, 2021 without any additional fees.

Accordingly, only normal fees shall be levied upto August 31, 2021 for forms (other than charge related forms referred above) required to be filed during April 01, 2021 to July 31, 2021.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mids=oNl%252BU4n7x%252FntbDPEaxYULQ%253D%253D&type=open>

❖ **Securities Laws & Capital Market**

SEBI Board Meeting (June 29, 2021)

The SEBI Board met on June 29, 2021 where it, inter-alia, approved the following:

1. The proposal relating to the review and merger of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 into a single Regulation to be called– SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
2. The proposal to introduce a framework for ‘Accredited Investors’ in the Indian securities market, a class of investors who may be considered to be well informed or well advised about investment products.
3. The amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to regulatory provisions related to Independent Directors (IDs). The amendments, inter alia, include the following:
 - Appointment/Re-appointment and Removal of IDs shall be through a special resolution of shareholders for all listed entities.
 - A cooling off period of three years has been introduced for Key Managerial Personnel (and their relatives) or employees of the promoter group companies, for appointment as an ID.
 - The entire resignation letter of an ID shall be disclosed along with a list of her/his present directorships and membership in board committees.
 - At least 2/3rd of the members of the audit committee shall be independent directors and all related party transactions shall be approved by only Independent Directors on the Audit Committee.
 - The requirement of undertaking Directors and Officers insurance has been extended to the top 1000 companies (by market capitalization).

These amendments shall be made applicable with effect from Jan 01, 2022.

4. The amendments to SEBI (Infrastructure Investment Trusts) Regulations, 2014, for introduction of minimum unit holders requirement for unlisted InvITs. The minimum number of unit holders, other than sponsor, its related parties and its associates shall be five together holding not less than 25% of the total unit capital of the InvIT.
5. The amendments to SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014, for revision in minimum subscription and trading lot for publicly issued REITs and InvITs. The revised minimum application value shall be within the range of INR 10,000-15,000 and the revised trading lot shall be of one unit.
6. The proposal to amend the SEBI (Foreign Portfolio Investors) Regulations, 2019 to permit eligible Resident Indian Fund Managers (other than individuals) to be constituents of Foreign Portfolio Investors (FPIs).
7. The amendments to SEBI (Mutual Funds) Regulations, 1996, to provide for investment of a minimum amount as skin in the game in the Mutual Fund (MF) schemes by Asset Management Companies (AMCs) based on the risk associated with the scheme, instead of the current requirement of one percent of the amount raised in New Fund Offer or an amount of INR fifty lacs, whichever is less.

8. To provide easy access to investors to participate in Public/Rights issues by using various payment avenues, the SEBI approved the proposal of amending the SEBI (Bankers to an Issue) Regulations, 1994 by way of permitting such other banks, other than scheduled banks, as may be specified by SEBI from time to time, to register as a Banker to an Issue.
9. With a view to streamlining the process of reward payment and to enhance the quantum of reward under the informant mechanism, the SEBI considered and approved certain amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. The maximum amount of reward has been increased from Rupees One Crore, at present, to Rupees Ten Crore.

For details:

https://www.sebi.gov.in/media/press-releases/jun-2021/sebi-board-meeting_50771.html

SEBI Circular

- **Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants (June 29, 2021)**

In order to improve the efficiency of the use of the margin capital by market participants, SEBI has introduced cross margin benefit between Commodity Index futures and futures of its underlying constituents or its variants. This shall reduce the cost of trading and may lead to enhanced liquidity in both the Commodity index futures and its underlying constituent futures or its variants. To be eligible for cross margin benefit, contracts belonging to Index futures and underlying constituents or its variants shall belong to same expiry month or to the nearest expiry month and should be from amongst the first three expiring contracts only.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/cross-margin-in-commodity-index-futures-and-its-underlying-constituent-futures-or-its-variants_50740.html

NSE Circular

- **Guidance Note on Analyst/Institutional Investors meet (June 29, 2021)**

NSE and BSE in consultation with SEBI has provided clarification on the amendments including enhanced disclosure requirement w.r.t. point 15 of para A of Part A of Schedule III on LODR Regulations (amended on May 05, 2021) asunder:

- Disclosure of group meetings (including schedule and post meeting disclosures) shall be mandatory, whereas disclosure with respect to one-on-one meetings shall not be mandatory.
- All Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, either conducted by listed entity or any other entity shall be disclosed to the recognized stock exchange.

Further in order to strengthen the disclosure requirements, Exchanges have also issued the guidance under SEBI (Prohibition of Insider Trading) Regulations, 2015 to listed entities.

For details:

https://static.nseindia.com//s3fs-public/inline-files/NSE_Circular_29062021.pdf

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20210629-44>

❖ **Indirect Tax**

Goods and Services Tax

- **Functionality to register complaint on misuse of PAN in GST Registration (June 29, 2021)**

To address the complaint related to misuse of PAN for obtaining GST registration, a functionality to register such complaints on GST Portal has been introduced. It will check the misuses, control the frauds and help officers in enquiry and cancellation of such registration. Once complaint is registered, it will be sent to the concerned jurisdictional authority where the registration is claimed to be fraudulently taken, for necessary enquiry and suitable action.

For details:

<https://tutorial.gst.gov.in/downloads/news/misuseofPANdocument.pdf>

❖ **Banking and Insurance**

- **Axis Bank inks multi-year deal with AWS for powering digital banking services (June 29, 2021)**

Amazon Web Services (AWS) on June 29, 2021 said it has inked a multi-year deal with Axis Bank to power the digital transformation programme of the country's third largest private sector bank. As part of the agreement, Axis Bank will draw on the breadth and depth of AWS services to build a portfolio of new digital financial services to bring advanced banking experiences to customers, including online accounts that can be opened in under six minutes and instant digital payments.

For details:

<https://www.financialexpress.com/industry/banking-finance/axis-bank-inks-multi-year-deal-with-aws-for-powering-digital-banking-services/2280809/>

- **Half of India's working population credit active: CIBIL report (June 29, 2021)**

Half of the country's working population of 400 million people is credit active, having at least one loan or credit card, a report by a Credit Information Company (CIC).

For details:

<https://indianexpress.com/article/business/banking-and-finance/half-of-indias-working-population-credit-active-cibil-report-7380995/>

- **Cabinet may soon clear proposal for Government guarantee to bad bank (June 29, 2021)**

The Union Cabinet may soon clear a proposal to provide government guarantee to security receipts issued by the National Asset Reconstruction Company (NARCL) as part of resolution of bad loans. Indian Banks' Association (IBA), entrusted with the task of setting up a bad bank, has pegged the government guarantee to be around Rs. 31,000 crore.

For details:

https://www.business-standard.com/article/finance/cabinet-may-soon-clear-proposal-for-govt-guarantee-to-bad-bank-121062901416_1.html

- **SBI to levy charges for cash withdrawal beyond four free transactions per month (June 29, 2021)**

The country's largest lender SBI will levy charges for cash withdrawal beyond four free transactions in a month from customers holding the Basic Savings Bank Deposit (BSBD) accounts. These customers will also be levied charges for cheque book beyond 10 leaves in a year. As per the revision in service charges for BSBD accounts, State Bank of India (SBI) will levy charges ranging from Rs. 15 to Rs. 75 for the "additional value added services" with effect from July 1, 2021.

For details:

<https://indianexpress.com/article/business/banking-and-finance/sbi-to-levy-charges-for-cash-withdrawal-beyond-4-free-transactions-per-month-7381027/>

❖ Terminology for today

Forum shopping

Forum shopping is a practice where litigants file their legal case in a court which they believe is probable of providing a favourable verdict. In a broader context, it is a practice of frequently seeking a dispute resolution forum for a complaint, concern or action, until one is found. Certain jurisdictions are known to have become 'plaintiff-friendly', due to which they attract a large number of lawsuit despite little or no connection between the legal matters and the jurisdiction in which they are to be prosecuted.

❖ Market Watch

Stock Market Indices as on 30.06.2021		Foreign Exchange Rates as on 29.06.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
S & P BSE Sensex	52482.71 (-66.95)	INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
Nifty 50	15721.50 (-26.95)	74.12	88.41	102.98	0.67

Prepared by Directorate of Academics

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

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