

# Info Capsule

Thursday  
December 09, 2021

**President :** CS Nagendra D. Rao

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

## Latest @ ICSI

### Seminar on Burning Issues in Summon, Search, Seizure and Arrest under GST

The Indirect Taxes Committee of PHD Chamber is organising another edition of Knowledge Series on Goods & Services Tax 2022. The first Seminar in the Knowledge Series is being organised on "Burning Issues in Summon, Search, Seizure and Arrest under GST" on Friday, December 10, 2021 from 10:30 am – 02:00 pm at PHD House, New Delhi. Members of the ICSI will be awarded 2 credit hours (For physically – Structured and virtually – Unstructured).

*For details:*

[https://www.icsi.edu/media/webmodules/08122021\\_Seminar\\_on\\_Burning\\_Issues\\_in\\_Summon\\_Search\\_Seizure\\_and\\_Arrest\\_under\\_GST\\_on\\_Friday\\_10th\\_December\\_2021.pdf](https://www.icsi.edu/media/webmodules/08122021_Seminar_on_Burning_Issues_in_Summon_Search_Seizure_and_Arrest_under_GST_on_Friday_10th_December_2021.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

### • Clarification of holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM) (December 08, 2021)

With reference to General Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated January 13, 2021, the MCA has allowed the companies whose AGMs are due in the Year 2021, to conduct their AGMs on or before June 30, 2022 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated May 05, 2020.

Further, the MCA has clarified that this Circular shall not be construed as conferring any extension of time for holding of AGMs by the companies under the Companies Act, 2013 (the Act) and the companies which have not adhered to the relevant timelines shall be liable to legal action under the appropriate provisions of the Act.

*For details:*

<https://www.mca.gov.in/bin/dms/getdocument?mds=LzJdf0YrL7zlnxT8HWRv5Q%253D%253D&type=open>

### • Clarification on passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with rules made thereunder on account of COVID-19-Extension of timeline (December 08, 2021)

The MCA in view of the continued disruption caused due to COVID-19 pandemic and to provide greater ease of doing business has further allowed the companies to conduct their EGMs through Video-Conference (VC) or Other Audio Visual Means (OAVM) or transact items through postal ballot in accordance with the framework provided earlier up to June 30, 2022.

*For details:*

<https://www.mca.gov.in/bin/dms/getdocument?mds=FNehC2FrbKO7ANLDeiQ01A%253D%253D&type=open>

## ❖ *Banking and Insurance*

### **General permission for infusion of capital in overseas branches and subsidiaries and retention/ repatriation/ transfer of profits in these centres by banks incorporated in India (December 08, 2021)**

Please refer to para 1 of the 'Statement on Developmental and Regulatory Policies' dated December 8, 2021 on the above subject.

As per extant practice, banks incorporated in India seek prior RBI approval for

- a. infusion of capital in their overseas branches and subsidiaries.
- b. retention of profits in, and transfer or repatriation of profits from these overseas centres.

In order to provide greater operational flexibility, it has been decided that prior RBI approval for above capital infusion/ transfers (including retention/ repatriation of profits), shall not be required by banks which meet the regulatory capital requirements (including capital buffers<sup>1</sup>). Instead, the banks shall seek approval of their boards for the same.

While considering such proposals, banks shall analyse all relevant aspects including inter alia the business plans, home and host country regulatory requirements and performance parameters of their overseas centres. Banks shall also ensure compliance with all applicable home and host country laws and regulations.

Banks which do not meet the minimum regulatory capital requirements as laid down in para 3 above, shall be required to seek prior approval of RBI as hitherto.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12205&Mode=0>

## ❖ *Terminology for today*

### **Busy Boards (Busy Directors)**

Companies whose directors sit on multiple boards. The numeric threshold that constitutes a "busy" director is subject to discretion, although researchers generally consider a director to be busy if he or she sits on three or more boards. Similarly, a "busy" board is one in which a significant number of directors are busy.

## ❖ *Market Watch*

<b>Stock Market Indices as on 09.12.2021</b>		<b>Foreign Exchange Rates as on 08.12.2021</b> <i>(<a href="https://www.geojit.com/currency-futures/rbi-reference-rate">https://www.geojit.com/currency-futures/rbi-reference-rate</a>)</i>			
S & P BSE Sensex	58807.13 (+157.45)	<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR/ 1 JPY</b>
Nifty 50	17516.85 (+47.10)	75.32	84.86	99.82	0.66

## ❖ **Business and Economic News**

### ● **External Commercial Borrowings (ECB) and Trade Credits (TC) Policy – Changes due to LIBOR transition (December 08, 2021)**

Please refer to paragraph 3 of the Governor's Statement on Developmental and Regulatory Policies dated December 08, 2021. In this connection, attention of Authorised Dealer Category-I (AD Category-I) banks is invited to paragraph 1.5, 2.1.vi. and 14.vi. of the of Master Direction No. 5 dated March 26, 2019, on "External Commercial Borrowings, Trade Credits and Structured Obligations", prescribing the benchmark rates and the maximum spread over benchmark for calculating the all-in-cost for foreign currency (FCY) ECBs and TCs.

In view of the imminent discontinuance of LIBOR as a benchmark rate, it has been decided, in consultation with stakeholders, to make the following changes to the all-in-cost benchmark and ceiling for FCY ECBs/ TCs:

- i. Redefining Benchmark Rate for FCY ECBs and TCs: Currently, the benchmark rate is defined in paragraph 1.5 of the master direction as "benchmark rate in case of FCY ECB/TC refers to 6-months LIBOR rate of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, e.g., EURIBOR". Henceforth, benchmark rate in case of FCY ECB/TC shall refer to any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing.
- ii. Change in all-in-cost ceiling for new ECBs/ TCs: To take into account differences in credit risk and term premia between LIBOR and the ARRs, the all-in-cost ceiling for new FCY ECBs and TCs has been increased by 50 bps to 500 bps and 300 bps, respectively, over the benchmark rates.
- iii. One Time Adjustment in all-in-cost ceiling for existing ECBs/ TCs: To enable smooth transition of existing ECBs/ TCs linked to LIBOR whose benchmarks are changed to ARRs, the all-in cost ceiling for such ECBs/ TCs has been revised upwards by 100 basis points to 550 bps and 350 bps, respectively, over the ARR. AD Category-I banks must ensure that any such revision in ceiling is only on account of transition from LIBOR to alternative benchmarks.

*For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12204&Mode=0>*

### ● **Single Window System (December 08, 2021)**

While presenting Budget 2020-21, Finance Minister announced plans to set up an Investment Clearance Cell (ICC) that will provide "end to end" facilitation and support to investors, including pre-investment advisory, provide information related to land banks and facilitate clearances at Centre and State level. The cell was proposed to operate through an online digital portal.

Subsequently, as per the mandate, DPIIT along with Invest India initiated the process of developing the portal as a National Single Window System (NSWS). Envisioned as a one-stop for taking all the regulatory approvals and services in the country, NSWS [[www.nsws.gov.in](http://www.nsws.gov.in)] was soft-launched on 22<sup>nd</sup> September, 2021 by Commerce & Industry Minister.

*For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1779399>*

- **FDI (December 08, 2021)**

Foreign Direct Investment (FDI) is one of the important drivers of economic growth and a source of non-debt finance for the economic development of India. FDI complements and supplements domestic investment. Domestic companies are benefited through FDI by way of enhanced access to supplementary capital and state-of-art-technologies, as also exposure to global managerial practices resulting into employment generation and accelerated growth of the sectors.

The details of foreign investment reported through routes of Foreign Direct Investment (FDI) inflow and Foreign Portfolio Investment (FPI) inflows (net) during the last five financial years are as under:

(Amount in USD Million)

S. No.	Financial Year	Total FDI Inflow	FPI inflows (net)
1.	2016-17	60,220	7,735
2.	2017-18	60,974	22,165
3.	2018-19	62,001	(-) 2,225
4.	2019-20	74,390	552
5.	2020-21	81,973	38,725

Source: Reserve Bank of India.

For details: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1779405>

- **RBI Monetary policy highlights: Lending rates unchanged amid Omicron scare (December 08, 2021)**

The Reserve Bank of India's six-member monetary policy committee (MPC), headed by Governor Shaktikanta Das, decided to maintain key interest rates for a ninth straight meeting, retaining an accommodative stance amid the threat surrounding Omicron coronavirus variant.

Repo and reverse repo rates currently stand at 4 per cent and 3.35 per cent, respectively.

For details:

[https://www.business-standard.com/article/finance/rbi-monetary-policy-live-updates-repo-rate-omicron-shaktikanta-das-highlights-inflation-2022-stock-market-121120800045\\_1.html](https://www.business-standard.com/article/finance/rbi-monetary-policy-live-updates-repo-rate-omicron-shaktikanta-das-highlights-inflation-2022-stock-market-121120800045_1.html)

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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