

Info Capsule

Friday
July 23, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Latest @ ICSI

Webinar on “Envisioning the next phase of Capital Market”

The ICSI is organising a live webinar on Monday, July 26, 2021 from 9:30 am onwards on the topic “Envisioning the next phase of Capital Market”. Members will be awarded 2 CPE Credit (Unstructured).

For details:

https://www.icsi.edu/media/webmodules/ICSI_CAPITAL_MARKETS_flyer.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

- **The MCA notified the commencement date for Section 4 of the Companies (Amendment) Act, 2020 (July 22, 2021)**

The MCA has appointed September 01, 2021 as the commencement date of Section 4 of the Companies (Amendment) Act, 2020 for implementation of amendments in the Rectification of Name of Company provisions under Section 16 of the Companies Act, 2013.

For details:

<https://www.egazette.nic.in/WriteReadData/2021/228417.pdf>

- **The Companies (Incorporation) Fifth Amendment Rules, 2021 (July 22, 2021)**

The MCA has notified the Companies (Incorporation) Fifth Amendment Rules, 2021 to insert a new rule 33A in the Companies (Incorporation) Rules, 2014 relating to the allotment of a new name to the existing company under section 16(3) of the Companies Act, 2013 which shall come into effect from September 01, 2021.

As per the new rule, in case a company fails to change its name or new name, as the case may be, in accordance with the direction issued under section 16(1) of the Companies Act, 2013 within a period of three months from the date of issue of such direction, the letters “ORDNC” (which is an abbreviation of the words “Order of Regional Director Not Complied”), the year of passing of the direction, the serial number and the existing Corporate Identity Number (CIN) of the company shall become the new name of the company without any further act or deed by the company, and the Registrar shall accordingly make entry of the new name in the register of companies and issue a fresh certificate of incorporation in Form No.INC-11C.

However, the above provisions shall not be applicable in case e-form INC-24 filed by the company is pending for disposal at the expiry of three months from the date of issue of direction by Regional Director unless the said e-form is subsequently rejected.

Further, a company whose name has been changed as above shall at once make necessary compliance with the provisions of section 12 of the Companies Act, 2013 and the statement, "Order of Regional Director Not Complied (under section 16 of the Companies Act, 2013)" shall be mentioned in brackets below the name of company, wherever its name is printed, affixed or engraved.

Provided, no such statement is required to be mentioned in case the company subsequently changes its name in accordance with the provisions of section 13 of the Companies Act, 2013.

For details: <https://www.egazette.nic.in/WriteReadData/2021/228419.pdf>

❖ **Ministry of Finance**

Significant improvement in India's score in United Nation's Global Survey on Digital and Sustainable Trade Facilitation (July 23, 2021)

India has scored 90.32% in United Nation's Economic and Social Commission for Asia Pacific's (UNESCAP) latest Global Survey on Digital and Sustainable Trade Facilitation. The Survey hails this as a remarkable jump from 78.49% in 2019. The Survey notes that India is the best performing country when compared to South and South West Asia region (63.12%) and Asia Pacific region (65.85%). The overall score of India has also been found to be greater than many OECD countries including France, UK, Canada, Norway, Finland etc. and the overall score is greater than the average score of EU. India has achieved a 100% score for the Transparency index and 66% in the "Women in trade" component.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1737948>

❖ **International Business News**

India breaks into the top 10 list of Agri Produce Exporters (July 22, 2021)

India broke into the top 10 list of agricultural produce exporters in 2019 with a sizeable share in the export of rice, cotton, soya beans and meat, according to a World Trade Organization (WTO) report on the trends in world agricultural trade in the past 25 years.

For details:

<https://www.livemint.com/news/india/india-breaks-into-the-top-10-list-of-agri-produce-exporters-11626975654126.html>

❖ **Securities Laws & Capital Markets**

SEBI Chairman's Speech at NISM's Second Annual Capital Markets Conference (July 22, 2021)

Shri Ajay Tyagi, Chairman, SEBI addressed at NISM's second annual capital markets conference on July 22, 2021. The key highlights of his speech *inter alia* covers the following:

- Retail investors' interest in the Indian securities market has been increased from FY 20-21 onwards.
- There has been a surge in the investments in ESG themed mutual fund schemes in India during FY 21.
- The markets are entering a new era with several new age tech companies preferring to list domestically. Successful IPOs of such companies are likely to attract more funds in domestic markets; thus creating a new ecosystem of entrepreneurs and investors.
- The SEBI has taken several measures to facilitate the development of capital markets and improve their robustness for attracting more investors. Online KYC, several policy measures for ease of fundraising by listed entities, and the decision to introduce the "accredited investors" concept are among the steps taken for the development of the capital markets.

For details:

https://www.sebi.gov.in/media/speeches/jul-2021/chairman-s-speech-dated-july-22-2021-at-nism-s-second-annual-capital-markets-conference-2021_51280.html

SEBI Circulars

Continuous disclosures in compliances by REITs/InvIT's – Amendments (July 22, 2021)

In order to further enhance investor protection and to increase transparency in grievance redressal, SEBI has come out with modified guidelines for Grievance Redressal Mechanism for Real Estate Investment Trusts ("REITs") and Infrastructure Investment Trusts ("InvITs"). As per the circulars issued by SEBI in this regard, all the complaints including SCORES complaints received by the REIT/InvIT shall be disclosed on the website of the REIT/ InvIT in the prescribed format and also filed with the recognized stock exchange(s), where their units are listed within 21 days from the end of financial year or end of quarter, as the case may be.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2021/continuous-disclosures-in-compliances-by-reits-amendments_51305.html

https://www.sebi.gov.in/legal/circulars/jul-2021/continuous-disclosures-in-compliances-by-invits-amendments_51301.html

❖ **Indirect Tax**

• **Goods and Services Tax**

Filing of Annual returns by composition taxpayers - Negative Liability in GSTR-4 (July 22, 2021)

Since FY 2019-20, composition taxpayers has to pay the liability through Form GST CMP-08 on quarterly basis while GSTR-4 Return is required to be filed on annual basis after end of a financial year. The liability of the complete year is required to be declared in GSTR-4 under applicable tax rates. Taxpayers should fill up table 6 of GSTR-4 mandatorily. In case, there is no liability, the said table may be filled up with '0' value. If no liability is declared in table 6, it is presumed that no liability is required to be paid, even though, taxpayer may have paid the liability through Form GST CMP-08. In such cases, liability paid through GST CMP-08 becomes excess tax paid and moves to Negative Liability Statement for utilization of same for subsequent tax period's liability.

For details: <https://www.gst.gov.in/newsandupdates/read/491>

❖ **Banking and Insurance**

Central Bank Digital Currency: RBI evaluating running pilots for digital currency (July 22, 2021)

The Reserve Bank of India (RBI) is examining use cases of a Central Bank Digital Currency (CBDC) and is also looking at a phased implementation strategy. T Rabi Shankar, Deputy Governor of the RBI, said on July 22, 2021 the central bank was exploring the pros and cons for introduction of CBDC for some time and conducting pilots for it may be a possibility in near future. A CBDC is a form of virtual currency that is issued by a central bank as an alternative to cash. Unlike cryptocurrencies, CBDCs are backed by the sovereign reserves of nation states and are thus not subject to the same volatility.

For details:

<https://www.financialexpress.com/industry/banking-finance/central-bank-digital-currency-rbi-evaluating-running-pilots-for-digital-currency/2295920/> &

https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1111

❖ **Terminology for today**

Synthetic

This term is used in financial markets to describe the construction of a financial instrument or product using derivatives. For example a synthetic floating rate note is a fixed rate bond that has been converted to a floating rate bond using an interest rate swap. A synthetic CDO uses credit derivatives to create the credit risk rather than cash based assets.

❖ ***Insolvency and Bankruptcy***

• **Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Third Amendment) Regulations, 2021 (July 22, 2021)**

In exercise of the powers conferred by sections 196, 203 and 205 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations further to amend the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

According to the Third Amendment, in the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, in the Schedule, in clause 24, for sub-clause (5) read as under:

"(5) The Agency shall promptly realise the monetary penalty imposed by the Disciplinary Committee and credit the same to the Fund constituted under section 222 of the Code.

For details:

<https://www.ibbi.gov.in/uploads/legalframework/b5bcbb2358f95c2b232cadab23031e9c.pdf>

• **Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021(July 22, 2021)**

The Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2021 *inter-alia* provides that in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (hereinafter referred to as the "principal regulations"), in regulation 5, in clause (c),- for sub-clause (iii), the following sub-clause shall be substituted, namely: -

"(iii) experience of -

- (a) ten years in the field of law, after receiving a Bachelor's degree in law;
- (b) ten years in management, after receiving a Master's degree in Management or two year full time Post Graduate Diploma in Management; or
- (c) fifteen years in management, after receiving a Bachelor's degree, from a university established or recognised by law or an Institute approved by All India Council of Technical Education; or"

For details:

<https://www.ibbi.gov.in/uploads/legalframework/5c2976ceb203ec0ba390380f747563f6.pdf>

❖ Recognition given to Company Secretary under the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021

The International Financial Services Centres Authority (IFSCA) has recognised the Company Secretary as 'Compliance Officer' to be appointed under Regulation 130 of IFSCA (Issuance and Listing of Securities) Regulations, 2021 issued vide gazette notification dated July 16, 2021.

The reference to selected regulation under the IFSCA (Issuance and Listing of Securities) Regulations, 2021 providing for recognition mentioned above is as under:

130. Compliance Officer and his Obligations

- (1) A listed entity shall appoint a qualified company secretary as the compliance officer.
- (2) The compliance officer of the listed entity shall be responsible for-
 - (a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit;
 - (b) co-ordination with and reporting to IFSCA, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in the manner as specified from time to time; and
 - (c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

For details: <https://www.egazette.nic.in/WriteReadData/2021/228383.pdf>

❖ Market Watch

| Stock Market Indices as on 23.07.2021 | |
|--|--------------------|
| S & P BSE Sensex | 52975.80 (+138.59) |
| Nifty 50 | 15856.05 (+32) |

| Foreign Exchange Rates as on 22.07.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate) | | | |
|--|-------------|-------------|-------------|
| INR / 1 USD | INR / 1 EUR | INR / 1 GBP | INR / 1 JPY |
| 74.30 | 87.56 | 102.12 | 0.67 |

Prepared by Directorate of Academics

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

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

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

ICSII Motto
सत्यं वर। धर्मं चर।
इष्टार्थं चैव त्रुतिः शब्देन चैव।

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

Connect with ICSI

www.icsi.edu | [f](#) [t](#) [in](#) [v](#) [o](#) | Online Helpdesk : <http://support.icsi.edu>