

Info Capsule

Tuesday
September 29, 2020

President : CS Ashish Garg

Vice President : CS Nagendra D. Rao

❖ Latest @ ICSI

Request for Extension of Timelines for Annual filing of One Person Companies (OPC) due to COVID-19 Pandemic (September 25, 2020)

The ICSI has requested MCA to extend the timelines for Annual Filing of One Person Companies (OPC) upto December 31, 2020 on account of the difficulties and hardship faced by the stakeholders due to COVID-19 pandemic.

For details:

https://www.icsi.edu/media/webmodules/Annual_Filing_of_OPC_2592020.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

- **MCA notified further extension of relaxation for holding Board Meeting through Video-Conferencing for restricted matters upto December 31, 2020 (September 28, 2020)**

MCA vide notification dated September 28, 2020 issued the Companies (Meetings of Board and its Powers) Third Amendment Rules, 2020 to provide further relaxation in the requirement of holding Board meetings with physical presence of directors under Section 173(2) r/w Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014, for approval of the restricted matters.

Accordingly, up to **December 31, 2020**, the Board meetings on approval of restricted matters may be held through video conferencing or other audio visual means in accordance with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

For details: <http://egazette.nic.in/WriteReadData/2020/222075.pdf>

- **MCA further extended the time limit for existing Independent Directors to apply online for registration in Data Bank. (September 28, 2020)**

MCA vide notification dated September 28, 2020 issued the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2020 to further extend the time limit upto December 31, 2020, the period within which the existing Independent Directors can register themselves on the databank maintained by the Indian Institute of Corporate Affairs.

For details: <http://egazette.nic.in/WriteReadData/2020/222076.pdf>

- **MCA has extended the duration of various schemes upto December 31, 2020 (September 28, 2020)**

MCA in view of the continued disruption caused due to COVID-19 pandemic and to provide greater ease of doing business has extended the duration of the following schemes upto December 31, 2020 namely:

- Companies Fresh Start Scheme, 2020 (CFSS-2020);
- LLP Settlement Scheme, 2020;
- Scheme for relaxation of time for filing forms related to creation or modification of charges under the Companies Act, 2013;
- Companies to conduct EGMs through VC or OAVM or transact business through postal ballots in accordance with the specified framework provided earlier.

For details:

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.30_28092020.pdf

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.31_28092020.pdf

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.32_28092020.pdf

http://www.mca.gov.in/Ministry/pdf/GeneralCircularNo.33_28092020.pdf

- **The Companies (Amendment) Bill, 2020 receives President's assent (September 28, 2020)**

The President of India has given its assent to the Companies (Amendment) Bill, 2020, which further amends the Companies Act, 2013. The Companies (Amendment) Bill, 2020 has been published in the Official Gazette on September 28, 2020 as the Companies (Amendment) Act, 2020.

For details: <http://egazette.nic.in/WriteReadData/2020/222070.pdf>

❖ Securities Laws & Capital Market

SEBI CIRCULARS

- **Operating Guidelines for Investment Advisers in International Financial Services Centre (IFSC) – Amendments (September 28, 2020)**

SEBI has amended the provisions of the operating guidelines issued for Investment Advisers in IFSC. The amendment inter-alia provides for the eligibility to apply to the SEBI for registration as an Investment Adviser in IFSC where “any entity, being a company or a limited liability partnership (LLP) or any other similar structure recognised under the laws of its parent jurisdiction, desirous of operating in IFSC as an Investment Adviser (IA), may form a company or LLP to provide investment advisory services. However, the formation of a separate company or LLP shall not be applicable in case the applicant is already a company or LLP in IFSC.”

For details : https://www.sebi.gov.in/legal/circulars/sep-2020/operating-guidelines-for-investment-advisers-in-international-financial-services-centre-ifsc-amendments_47694.html

- **Recovery of assets of defaulter member and recovery of funds from debit balance clients of defaulter member for meeting the obligations of Clients / Stock Exchange / Clearing Corporation (September 28, 2020)**

The Stock Exchange (SE) / Clearing Corporation (CC) have been advised to initiate suitable actions for liquidating the assets (movable and immovable) of defaulter member including that of debit balance clients (to the extent of debit balance), within six months of declaration of defaulter, for recovery of the assets not in possession of the SE/CC, before appropriate court of law.

For details : https://www.sebi.gov.in/legal/circulars/sep-2020/recovery-of-assets-of-defaulter-member-and-recovery-of-funds-from-debit-balance-clients-of-defaulter-member-for-meeting-the-obligations-of-clients-stock-exchange-clearing-corporation_47695.html

- **Amendments to guidelines for Preferential issue and Institutional placement of units by a listed REIT / InvIT (September 28, 2020)**

In view of the situation emerging out of the COVID-19 pandemic, SEBI has granted certain relaxations for raising of equity capital. On similar lines the extant guidelines for preferential issue and institutional placement of units by listed Real Estate Investment Trusts / Infrastructure Investment Trusts (“REITs” / “InvIT”) stand modified which inter-alia provides that “The REIT / InvIT shall not make any subsequent institutional placement until the expiry of two weeks from the date of the prior institutional placement made pursuant to one or more special resolutions.”

For details : https://www.sebi.gov.in/legal/circulars/sep-2020/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-reit_47696.html

https://www.sebi.gov.in/legal/circulars/sep-2020/amendments-to-guidelines-for-preferential-issue-and-institutional-placement-of-units-by-a-listed-invite_47697.html

SEBI NOTIFICATIONS (September 25, 2020)

The SEBI, having considered the application for grant of renewal of recognition under Regulation 12 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and on being satisfied that it would be in the interest of the trade, securities market and public, granted recognition to the following clearing corporations-

- Metropolitan Clearing Corporation of India Limited
- Indian Clearing Corporation Limited
- NSE Clearing Limited

subject to the period and conditions as may be prescribed under the Notification. The Clearing Corporation shall comply with the conditions specified by SEBI from time to time.

For details : [http://egazette.nic.in/\(S\(nkt2bs1tfgmfktjvjegfoxnl\)\)/SearchMinistry.aspx](http://egazette.nic.in/(S(nkt2bs1tfgmfktjvjegfoxnl))/SearchMinistry.aspx)

❖ Market Watch

Capital Market	
S & P BSE Sensex	37973.22 (-8.41)
Nifty 50	11222.40 (-5.15)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.57 (-0.23%)	85.55 (-0.50%)	93.74 (-0.18%)	0.70 (-0.44%)

❖ **Banking and Insurance**

- **RBI approves panel to run Lakshmi Vilas Bank operations, experts say bank must step up capital raise (September 29, 2020)**

As per prominent proxy Advisory and Corporate Governance firms, the bank must speed up the process of raising capital as well as finding a new MD and CEO despite the fact that the Reserve Bank of India (RBI) has approved the appointment of a three-member Committee of Directors (CoD) to run the day-to-day affairs of Lakshmi Vilas Bank (LVB)

For details: <https://www.financialexpress.com/industry/banking-finance/rbi-approves-panel-to-run-lvb-ops-experts-say-bank-must-step-up-capital-raise/2093857/>

- **Decision in 2-3 days over interest on deferred instalments by banks, Centre tells SC (September 28, 2020)**

The Centre informed the Supreme Court on Monday, September 28, 2020 that a decision is likely in 2-3 days over charging of interest by banks on instalments which were deferred during the moratorium period in view of the COVID-19 pandemic.

For details: <https://indianexpress.com/article/business/banking-and-finance/decision-in-2-3-days-over-interest-on-deferred-instalments-by-banks-centre-tells-sc-6618927/>

- **Big opportunity for Fin-tech players to ride the Insurance Wave in the Country : IRDAI proposes to organize a Webinar (September 28, 2020)**

In order to create awareness and harness the benefits of the Regulatory Sandbox by the Insure-tech firms, FinTech Firms and other registered insurance entities, a webinar is proposed to be organized by the IRDAI (Insurance Regulatory and Development Authority of India). To promote innovation in the field of insurance, the Authority has notified the IRDAI (Regulatory Sandbox) Regulations, 2019 and also issued guidelines on the operation of Regulatory Sandbox, outlining the procedure to be followed in implementing the "Innovation in Insurance". The webinar is proposed to be held on 30th September 2020 from 11:00 AM to 1:00 PM.

For details: <https://www.financialexpress.com/money/insurance/big-opportunity-for-fin-tech-players-to-ride-the-insurance-wave-in-the-country-irdai-organizes-webinar/2093521/>

❖ **Economic Law**

- **Bilateral Netting of Qualified Financial Contracts Act, 2020 Received the Assent of the President (September 28, 2020)**

Bilateral Netting of Qualified Financial Contracts Act, 2020 aims to ensure financial stability and promote competitiveness in Indian financial markets by providing enforceability of bilateral netting of qualified financial contracts.

For details: <http://egazette.nic.in/WriteReadData/2020/222064.pdf>

- **Foreign Contribution (Regulation) Amendment Act, 2020 Received the Assent of the President (September 28, 2020)**

Foreign Contribution (Regulation) Amendment Act, 2020 received the assent of the President on September 28, 2020. The Amendment Act prohibits public servants from receiving any foreign contribution and NGOs and other associations registered under the Act.

For details: <http://egazette.nic.in/WriteReadData/2020/222069.pdf>

❖ **Business and Economic News**

Pharma Secretary P D Vaghela is appointed TRAI chairman (September 29, 2020)

At a time when the Indian telecom industry passing through its most challenging period financially, the government has appointed senior bureaucrat and current Pharma Secretary P D Vaghela as Chairman of the Telecom Regulatory Authority of India (TRAI).

For details: <https://timesofindia.indiatimes.com/business/india-business/senior-bureaucrat-p-d-vaghela-appointed-trai-chairman/articleshow/78369307.cms>

Prepared by Directorate of Academics

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

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