

Info Capsule

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❖ Latest @ ICSI

Feedback on Company Forms in MCA21-V3 Portal

As you are aware, the Ministry of Corporate Affairs w.e.f. August 31, 2022 migrated filing of 9 Company Forms from MCA 21 V2 to V3 Portal.

The Ministry of Corporate Affairs w.e.f. January 23, 2023, has launched second set of Company Forms covering 56 forms on MCA21-V3 Portal for filing purposes. The list of all 56 Company Forms is available on MCA website.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

<https://forms.gle/m5NGoCbt4TibuD196>

We thank you for your continued support and hope for association in the future as well.

❖ Banking

• Large banks target double-digit growth in corporate loan book (November 14, 2023)

Large lenders including State Bank of India (SBI), Bank of Baroda (BoB), HDFC Bank, ICICI Bank, among others are confident of growing their corporate loan book in double digits in the second half of the financial year, as working capital demand and scope of further cross sales from clients' remains strong, senior bankers say.

For details:

<https://www.financialexpress.com/business/banking-finance-large-banks-target-double-digit-growth-in-corporate-loan-book-3306150/>

• Small finance banks thinking big likely to switch on the M&A mode (November 14, 2023)

More small finance banks, that began operations less than a decade ago, may explore mergers either with competitors, non-bank lenders or financial technology companies as they look to achieve economies of scale faster and diversify their product bouquet. AU Small Finance Bank's move to acquire Fincare Small Finance Bank may encourage others to explore inorganic opportunities, industry captains believe, as bigger balance sheets would put them on a stronger platform to take on their bulge-bracket rivals, especially when it comes to mobilising public deposits.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/small-finance-banks-thinking-big-likely-to-switch-on-the-ma-mode/articleshow/105192690.cms>

❖ **Business and Economics News**

IT Act needs stronger provisions to curb deepfake menace: Experts (November 14, 2023)

Provisions of the existing IT law may not be sufficient to tackle the problem of deepfakes as they cannot thwart their creation and original circulation, experts said, urging policymakers to step in to address the damage they cause.

For details: <https://economictimes.indiatimes.com/tech/technology/it-act-needs-stronger-provisions-to- curb-deepfake-menace-experts/articleshow/105190697.cms>

❖ **Directorate General of Foreign Trade**

Pilot Launch of the Upgraded Electronic Bank Realization Certificate (eBRC) system for self-certification by Exporters –reg(November 14, 2023)

Self-Certification for Exporters: Reference Para 1.07 of the Foreign Trade Policy, it is a commitment of this directorate to facilitate exports and imports, with a focus on efficient, transparent, and accountable delivery systems. To further improve trade facilitation for exporters, this directorate has implemented an enhanced electronic Bank Realisation Certificate (eBRC) system. This more streamlined process is based on electronic Inward Remittance Messages (IRMs) to be transmitted directly by banks to DGFT. Based on the IRMs received, the exporters shall self-certify their eBRCs.

Streamlined Workflow: The enhanced eBRC system shall enable exporters to reduce transaction time and costs. It would also ease the burden on bankers by simplifying the reconciliation of IRMs with shipping bills, SOFTEX, invoices, etc. and promote ease of doing business in general. A summary of the revamped eBRC system workflow is as follows –

- i. Banks receiving Export Remittances will push the IRM message to the DGFT IT system electronically.
- ii. Banks shall push the IRMs pertaining to the Trade Account only and not the IRMs pertain to Capital Account etc. i.e., remittances pertaining to Goods or Services Exports.
- iii. IRM details will be accessible to the relevant IEC holder upon logging onto the DGFT Website (<https://dgft.gov.in>). Since IECs are linked to PAN, only the concerned IEC holder will have visibility to their IRM.

For Details: <https://www.dgft.gov.in/CP/>

❖ **Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (November 09, 2023)**

The Ministry of Corporate Affairs (MCA) vide its notification dated November 07, 2023 has notified “the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023” which has come into force on the date of its publication in the Official Gazette. The provisions of these rules shall specifically apply to all the LLPs. The aforesaid rules, conferred under section 79 of the Limited Liability Partnership Act, 2008, directs to regulate and identify significant beneficial owners in Limited Liability Partnerships and such individual to make a declaration in Form No. LLP BEN-I.

Brief Analysis:

Following are the certain major rules mentioned:

- i. The provisions of these rules shall specifically apply to all the LLPs.(Rule 2)
- ii. Aforesaid rules mentioned various definitions viz, control; majority stake; significant beneficial owner; significant influence; ultimate holding company etc.(Rule 3)
- iii. Duty of the reporting limited liability partnership to take necessary actions in identifying the significant beneficial owner and causing such individual to file Form No. LLP BEN-1.(Rule 4)
- iv. Upon receipt of declaration as mentioned above sub point, the reporting limited liability partnership shall file a return in Form No. LLP BEN-2 with the Registrar.(Rule 6)
- v. The limited liability partnership shall maintain a register of significant beneficial owners in Form No. LLP BEN-3 and keep it open for inspection during the business hours for such reasonable time as mentioned in the rules.(Rule 7)
- vi. Rules specified Form No. LLP BEN-4 for notice seeking information about significant beneficial owners.(Rule 8)
- vii. Provisions related to the filing of application to the Tribunal under certain circumstances.(Rule 9)
- viii. Provisions related to non-applicability of aforesaid rules to the certain entities.(Rule 10)

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=pjZaasqhxL5W9F46Ukp5lw%253D%253D&type=open>

❖ **Pronouncement**

06.11.2023	Lombardi Engineering Ltd v. State of Uttarakhand	Supreme Court
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A condition/clause in Arbitration Agreement which is violative of Article 14 of the Constitution of India can be ignored by the court

In this case, the matter *inter alia* was relating to two condition i) Pre-deposit of 7% of total amount claimed and ii) appointment of sole arbitrator by Principal Secretary (Irrigation).

The Hon'ble Supreme Court was of the view that Clauses 3 and 4 respectively relating to security deposit for performance and refund of the same has no nexus at all with the pre-deposit amount of 7% as stipulated in Clause 55 of the GCC. Such vague and ambiguous condition of 7% pre-deposit of the total claim makes the same more vulnerable to arbitrariness thereby violating Article 14 of the Constitution. Even otherwise, as explained in ICOMM Tele Limited if the claim of the petitioner herein is ultimately found to be frivolous the arbitral tribunal can always award costs in accordance with Section 31A of the Act 1996.

Further the Court reached to the conclusion that the court should ignore the two conditions contained in Clause 55 of the GCC, one relating to 7% deposit of the total amount claimed and the second one relating to the stipulation empowering the Principal Secretary (Irrigation) Government of Uttarakhand to appoint a sole arbitrator and proceed to appoint an independent arbitrator.

For details:

https://main.sci.gov.in/supremecourt/2022/25626/25626_2022_1_1503_48065_Judgement_06-Nov-2023.pdf

❖ **Market Watch**

Stock Market Indices as on 14.11.2023	
S & P BSE Sensex	64933.87 (-325.58)
Nifty 50	19443.55 (-82)

Foreign Exchange Rates as on 13.11.2023 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.32	89.06	101.95	.5490

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu.

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