

National Update

President Kovind Promulgates Banking Regulation (Amendment) Ordinance 2020

President of India Ram Nath Kovind promulgated the Banking Regulation (Amendment) Ordinance, 2020 in pursuance of the commitment to ensure safety of depositors across banks. The Ordinance amends the Banking Regulation Act, 1949 as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks. The amendments do not affect existing powers of the State Registrars of Co-operative Societies under state co-operative laws. The amendments do not apply to Primary Agricultural Credit Societies or co-operative societies whose primary object and principal business is long-term finance for agricultural development.

The Ordinance also amends Section 45 of the Banking Regulation Act to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

(Source: <http://www.businessworld.in/>)

CII wants more MSMEs to Tap into ₹ 3 lakh crore Credit Scheme; May Urge Govt to Make This Key Move

The government has pledged full guarantee for up to 20% additional, collateral-free working capital loans under the ECLGS. However, only borrowers with up to ₹ 25 crore outstanding as of February 29 and ₹ 100 crore annual turnover will be eligible. The government recently notified a decision to raise the annual turnover limit for a medium enterprise to ₹ 250 crore from ₹ 100 crore. Similarly, the investment limit to qualify as a medium enterprise has been raised to ₹ 50 crore from ₹ 20 crore, announced as part of the ₹ 21-lakh-crore relief package in May. The latest definition will come into effect from July 1.

(Source: <https://www.financialexpress.com/>)

SEBI gives India Inc another month to file quarterly, annual results; deadline revised to July 31

Capital market regulator, Securities and Exchange Board of India (SEBI) recently announced that it has decided to further relax the timeline for submission of financial results for the quarter ending 31st March 2020 till July 31. The extension comes in the wake of the coronavirus pandemic that has hit business operations across the globe. This is the second time the market regulator has relaxed the timeline for the financial results. Earlier in March, SEBI had eased the timeline for filing financial results till June 30 giving listed firms an extra 45-days to file results.

(Source: <https://www.financialexpress.com/>)

Deadline for registration of independent directors with MCA's online databank extended till September 30

The Ministry of Corporate Affairs (MCA) extended till September 30, the period by which existing independent directors must register themselves with its online databank of independent directors, in a recently issued notification. The ministry also extended to the same date, the time till when companies can hold board meetings through video conference or other audio visual means, in parallel notification. The previous deadline for both these relaxations was June 30. On December 1 last year, the MCA had launched the databank, which was envisioned to be a "comprehensive repository" of existing as well as eligible independent directors to help companies connect with people who had the specific skills they were looking for. The amended rules under the Companies Act, required all existing independent directors to register themselves with the databank within three months from the notification.

In terms of doing away with the requirement of a physical board meeting, the MCA in March said it had acted on representations from industry that board members, especially those abroad, were finding it difficult to attend meetings with travel restrictions in place.

(Source: <https://economictimes.indiatimes.com/>)