



Virtual AGMs and EGMs for year 2021 | Expenses for COVID-19 vaccination outreach notified as eligible CSR activity | SEBI mandates membership structure for IAs | RBI exempts declaration requirement for certain re-exports

INSIGHTS

January 15, 2021

Following important changes have been recently introduced by MCA, SEBI and RBI:

- Spending CSR funds on COVID-19 awareness programme and public outreach for COVID-19 vaccination, notified as an eligible CSR activity;
- Holding of annual general meeting (**AGM**) through video conferencing (**VC**) or other audio-visual means (**OAVM**) extended till December 31, 2021;
- Holding of extra-ordinary general meeting (**EGM**) through VC/ OAVM extended till June 30, 2021;
- SEBI has mandated membership requirement and revised fee structure for registration of Investment Advisors (**IAs**);
- RBI has exempted declaration requirement for certain re-exports of leased aircraft/ helicopter and/or engines/auxiliary power units (**APUs**).

Summary of key changes are as follows:

A. Spending funds on COVID-19 vaccination programme notified as eligible CSR activity

In continuation of its earlier MCA General Circular dated March 23, 2020 which clarified that spending of corporate social responsibility (**CSR**) funds for COVID-19 is an eligible CSR activity, MCA has now further clarified that spending of CSR funds for carrying out awareness campaigns/ programmes or public outreach campaigns on COVID-19 vaccination programme will also be considered as an eligible CSR activity under Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care and sanitization, promoting education and disaster management. This has been clarified by General Circular No. 1/2021 dated January 13, 2021 ([available here](#)).

B. Holding of AGMs and EGMs through VC/OAVM in the year 2021

- **AGMs:** Vide its circular dated May 5, 2020 ([available here](#)), MCA had allowed conducting of AGMs for the calendar year 2020, through VC / OAVM. In furtherance of the same, MCA has now allowed companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs vide VC/OAVM on or before December 31, 2021. A clarification has also been provided to state that the said relaxation should not be construed as extension of timelines for holding AGMs under the Companies Act, 2013. General Circular No. 02/2021 dated January 13, 2021 ([available here](#)) has provided the afore-mentioned relaxation.
- **EGMs:** Holding of EGMs vide VC / OAVM was recently extended till June 30, 2021. The extension was given vide General Circular No. 39/2020, dated December 31, 2020 ([available here](#)).

C. SEBI mandates membership and revises fees structure for IAs

In continuation of the SEBI board meeting dated December 16, 2020 ([available here](#)), SEBI has implemented following changes to the SEBI (Investment Advisors) Regulations, 2013 (**IA Regulations**):

- **Membership:** While considering the application for registration of Investment Advisors (**IAs**), SEBI will now also consider whether the applicant is a member of a body/ body corporate recognized by SEBI for administration and supervision of IAs under the IA Regulations. It has also clarified that the existing IAs shall comply with the requirement for membership in such manner as may be specified by SEBI.
- **Fee structure:** Registration fees payable by IAs under the IA Regulations have been modified.

Aforementioned changes have been introduced by SEBI (Investment Advisors) (Amendment) Regulations, 2021 dated January 11, 2021 ([available here](#)).

D. RBI exempts declaration requirement for certain re-exports of leased aircraft/ helicopter and/or engines/auxiliary power units (APUs)

RBI has notified the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 dated January 8, 2021 (**Amendment Regulations**) ([available here](#)), which substitutes sub-regulation (ea) of Regulation 4 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 (**Principal Regulations**).

Regulation 4 of the Principal Regulations *inter alia* provides for certain cases of exemption, where exports may be made without furnishing the declaration. The scope of the exemption has now been enhanced and extended to re-export of leased aircraft/ helicopter and/or engines/auxiliary power units (APUs), either completely or in partially knocked down condition re-possessed by overseas lessor and duly de-registered by the Directorate General of Civil Aviation (DGCA) on the request of Irrevocable Deregistration and Export Request Authorization (IDERA) holder under 'Cape Town Convention' or any other termination or cancellation of the lease agreement between the lessor and lessee subject to permission by DGCA/Ministry of Civil Aviation for such export/s', in terms of the Amendment Regulations.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com

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