



**17th December 2021 – Issue
359**

Ministry of Corporate Affairs vide circular dated December 14, 2021, has issued Clarification of holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM)

- MCA vide circular dated December 14, 2021, has issued Clarification of holding of Annual General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM).
- In continuation of Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021 and General Circular No. 19/2021 dated 08.12.2021, it has also been decided to allow the companies who are proposing to organize AGMs in 2022 for the Financial Year ended/ ending any time before/ on 31.03.2022 through VC or OAVM as per the respective due dates by 30th June, 2022 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.
- It is clarified that this Circular shall not be construed as conferring any extension of time for holding of AGMs by the companies under the Companies Act, 2013 (the Act) and the companies which have not adhered to the relevant timelines shall be liable to legal action under the appropriate provisions of the Act.

[Click Here](#)

Reserve Bank of India Affairs vide circular dated December 14, 2021, has issued Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)

- RBI vide circular dated December 14, 2021, has issued Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs).
- It has been decided to put in place a PCA Framework for NBFCs to further strengthen the supervisory tools applicable to NBFCs. The PCA Framework for NBFCs, as contained in the enclosed Annex, comes into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.



Lex Favios
Advocates & Solicitors

- Government NBFCs have been provided time upto March 31, 2022 to adhere to the capital adequacy norms provided for NBFCs (Ref. Annex I of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016). Accordingly, a separate circular would be issued in due course with regard to applicability of PCA Framework to Government NBFCs.
- The PCA Framework will be reviewed after three years of being in operation.

[Click Here](#)

In case you have suggestions or do not wish to receive our newsletter,
please email us at info@lexfavios.com

Contact details

Sumesh Dewan

Managing Partner

Lex Favios

Email: sumes.dewan@lexfavios.com

Tel: 91-11-32084941 (D) 91-11-41435188/45264524