



**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)



**Azadi Ka
Amrit Mahotsav**

INFO CAPSULE

Series - 13

(501-550)



Motto

सत्यं वद। धर्मं चर।

“इष्टाकरे तेह त्वापके बोवेह हेपु तेह त्वा”

Latest & ICSI

Info Capsule Series 13

Registrations Open for 50th National Convention

The Institute is organizing 50th National Convention of Company Secretaries to be held during September 1-3, 2022 at Kolkata, West Bengal on the theme CS : A Vishwaguru in Governance and Sustainability. Registration for the Convention shall be through Online Mode only. Link for registration is <https://tinyurl.com/50NCICSI> .

Online Crash Course on Decoding Financial Statements for Members of ICSI

Financial Analysis and reporting is an integral part of overall financial analysis carried out by various business organizations in India and all around the world. It depicts the financial health and helps the companies to augment their financial resources and management of generated funds efficiently. As professional, one need to use and interpret crucial financial data for making informed decisions. This online “Crash Course on Decoding Financial Statements” launched by ICSI demystifies accounting jargon and will assist in understanding financial statements and analyse them for well informed decisions.

Online Crash Course on ESG Analysis (Environment, Social & Governance) for Members of ICSI

ESG stands for Environmental, Social and Governance. It refers to an organization’s governance structures, management practices and performance around its social and environmental impacts. Originally used in finance by socially conscious investors, ESG has come to be used more widely in the business world to determine a firm’s commitment to making positive social and environmental change. In order to equip the members of ICSI with requisite knowledge & Skills to deal with matters related to ESG Compliances and other related legal aspects, ICSI launches first batch of Online Crash Course on ESG (Environmental, Social and Governance) Analysis.

One-time special window from 23rd July to 31st July, 2022 to accept Annual Membership / COP fees for FY 2022-23

The competent authority has decided to open a one-time special window from 23rd July to 31st July, 2022 to accept the Annual Membership / COP fees for the FY 2022-23. It may be noted that this special one-time window is without creating any precedent for the future. In case members face any difficulty, they may please write to us through the Support Portal <http://support.icsi.edu>.

Inviting comments from Stakeholders on Proposed Syllabus, 2023

The Institute undertakes revision of the syllabus for Company Secretary Course every five years to match the expectations of its stakeholders. We appeal to all Members and Stakeholders to give their valuable inputs on the proposed syllabus before 10th August, 2022 by clicking the google form available at the link <https://forms.gle/XVN3jtFaGQHTRWDL7>.

50th National Convention at ITC Royal Bengal, Kolkata - Call for Articles

50th National Convention of Company Secretaries is scheduled to be held at ITC Royal Bengal, Kolkata during September 1-3, 2022 on the theme CS: A Vishwaguru in Governance and Sustainability. To commemorate Golden Jubilee National Convention, a Souvenir containing messages of dignitaries, articles on the abovementioned theme and sub-themes, programme details, etc. is planned for release by the Institute. The members who wish to contribute articles for publication in the Souvenir are requested to send the same through email at conference@icsi.edu on or before August 7, 2022. Member whose article is selected for publication by the Institute would be eligible for grant of 4 (FOUR) Structured CPE Credits apart from an honorarium of Rs.2500/- in recognition of his/her efforts.

Career Opportunities for Young Company Secretaries

In accordance to the deployment of resources on contract at “Central Scrutiny Centre” of the Ministry of Corporate Affairs for processing of STP e-forms, and “Central Registration Centre” for processing of Company “Name Availability” (RUN) and “Incorporation” (SPICE) forms, the ICSI invites applications.

Live Webinars on Secretarial Standards

Institutes is organizing live webinars on Secretarial Standards (SS1/SS2/SS3/SS4) on 25th-27th August, 2022). One CPE credit for each webinar will be provided to members who login at the specified link using valid credentials as per ICSI database.

Engagement of Consultants on Contract basis in ICSI

The ICSI invites applications for the following posts on contractual basis:

Name of Vacancy	Place of Posting	Number of Vacancies	Qualification
Consultant (on contract)	ICSI, Dte. of P&FP - Project, New Delhi & Noida	09 (Approx.)	Associate Member of the Institute of Company Secretaries of India
	ICSI, Dte. of PD, New Delhi	02 (Approx.)	
	ICSI, Dte. of P&FP, New Delhi	05 (Approx.)	

Career Opportunities for Young Company Secretaries

In accordance with the understanding between the ICSI and Ministry of Corporate Affairs for deployment of Resources on contract by ICSI at the “Central Registration Centre” for processing of Company “Name Availability” (RUN) and “Incorporation” (SPICE) forms & at the “Central Scrutiny Centre” of the Ministry of Corporate Affairs for processing of STP eforms, the ICSI invites applications for the posts of CRC Executives & CSC Executives.

Live Webinar on Proposed Syllabus 2023

Institutes is organizing Live Webinar on Proposed Syllabus 2023 on August 05, 2022 (Friday) at 11 AM onwards. Stakeholders may submit advance queries at <https://ecpl.live/icsi/ps/05082022/> after login.

Campus Placement Drive for Young Company Secretaries - Gujarat State Petronet Limited, Gandhinagar, Gujrat

The Institute is constantly making efforts for enhancing placement opportunities for young professionals in India and abroad. The Institute conducting Campus Placement Drive for Young Company Secretaries for Gujarat State Petronet Limited & its JV Companies. Last date for Registration Thursday, 11th August 2022, 2:00 pm.

Young Professional Program (YPP)

IRDAI intends to provide an exceptional; opportunity to qualified and motivated young individuals to work on important initiative within IRDAI and assist in the policy analysis and development of the India Insurance Sector. The last date for submission of application is on or before 5:00 PM on 23.08.2022. The interested eligible candidates shall submit an online application through the link <https://ypp.irdai.gov.in/ypp>.

Webinar on Structured Digital Database under SEBI (PIT) Regulations on August 18, 2022

The SEBI introduced the provisions relating to Structured Digital Database under the SEBI (Prohibition of Insider Trading) Regulations, 2015 to build mechanism to help investigate Insider Trading. Both BSE & NSE have issued Circulars requiring all Listed Entities to submit Compliance Certificate on SDD on quarterly basis. In view of the same, the Institute is organizing webinar to create awareness about the compliance requirements relating to SDD. Webinar Link - <https://ecpl.live/icsi/18082022/>

ICSI Webinar on Conducting Board and General Meetings in the realm of SS-1 & SS-2 on 25.08.2022 at 3.00 p.m.

The Institute is organizing a live webinar on Conducting Board and General Meetings in the realm of Secretarial Standard-1 (SS-1) & Secretarial Standard -2 (SS-2) on 25.08.2022 at 3.00 p.m. No participation fees. Members may submit queries in advance after login at <https://ecpl.live/icsi/ss/25082022/>.

Engagement of Consultants on Contract basis for P&FP Project at ICSI, New Delhi & Noida

The Institute of Company Secretaries of India (ICSI) is a statutory body set up under an Act of Parliament, the Company Secretaries Act, 1980, to regulate and develop the profession of Company Secretaries in India. The ICSI invites applications for the following post on contractual basis: -

S. No.	Name of Vacancy	Place of Posting	Number of Vacancies	Qualification
	Consultant (on contract)x	ICSI, Dte. of P&FP - Project, New Delhi & Noida	07 (Approx.)	Associate Member of the Institute of Company Secretaries of India

Experience: Post Qualification Experience of one year with a Company Secretary in Practice.
Remuneration: The Consolidated payout will be in the range of Rs.45,000/- to Rs.50,000/- per month.

Maximum Age: 30 years (As on 01.08.2022)

Period of Contract: The tenure for the position will be initially for a period of six months. The period of contract may be extended based on the requirement of the project.

Apply on: <https://placement.icsi.edu/PlacementApp/> (29th August 2022 to 4th September 2022)

ICSI is organising Teacher's Conference for educators through its Regional and Chapter Offices from 5th to 11th September 2022

ICSI organising Teacher's Conference for Higher Secondary School Teachers, Professors/Lecturers of College/University through its Regional and Chapter Offices from 5th to 11th September 2022. To participate, educators can contact the nearest RO/Chapter Office of ICSI at the link <https://www.icsi.edu/contactus/phone-directory/>.

Register for Leadership Development Programme (Residential) jointly by ICSI and IIM Kozhikode at campus of IIM Kozhikode (24th-26 November 2022)

Leadership Development Programme (Residential) jointly by ICSI & IIM Kozhikode for ICSI members at Campus of IIM Kozhikode from November 24th - 26th, 2022. Last date of Registration is November 07, 2022. Registration Link: <https://tinyurl.com/56n6dx9h>.

ASSOCHAM in association with ICSI is organising the 9th International Summit on Friday, September 16, 2022

To discuss the evolving issues and challenges under M&A, amalgamations, joint ventures including cross borders, ASSOCHAM in association with ICSI is organizing 9th International Summit “Corporate Restructuring, M&A and Joint Venture - Recent Trends, Evolving Issues and Opportunities” on Friday, September 16, 2022 in IHC, New Delhi, India. Special discount @ 15% for ICSI Members with 4 CPE Credits (Structured).

Campus Placement Drive for Young Company Secretaries - Vedanta Limited

The Institute is constantly making efforts for enhancing placement opportunities for young professionals in India and abroad. The Institute is regularly conducting Campus Placement for the Corporates. The Registration of Campus Placement Drive (Vedanta Limited) commencing on Wednesday, 21st September 2022, 2.00 pm and the last date for Registration is Monday, 3rd October 2022, 2.00 pm.

Feedback on Company Forms in MCA21-V3

As you are aware, 9 Company forms (DIR3-KYC, DIR3-KYC web, CHG-1,4,6,8,9, DPT-3, DPT-4) are available in V3 portal of MCA for filing purposes.

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:

Opening for IEPFA Consultants on Contract

In accordance with the understanding between the Institute of Company Secretaries of India (ICSI) and Investor Education and Protection Fund Authority (IEPFA) for deployment of Resources on contract by ICSI at IEPFA, New Delhi, the ICSI invites applications for the post of IEPFA Executives (on Contractual Basis). Interested candidates must apply only through electronic application form (Online). Last date for applying Online is 06.10.2022.

Company Secretary on Contract basis for IRCON's SPV (WOS / JVs)

IRCON International Limited invites applications for recruitment of Company Secretary on Contract basis for IRCON's SPV (formed as wholly owned subsidiaries/joint ventures). Time and Date for Walk-In interview is 10th October 2022 from 10:00 AM onwards and address for Walk-In Interviews is IRCON International Ltd., C-4 District Centre Saket, New Delhi 110017.

International Webinar on Sustainable Leadership for Effective Corporate Governance

The Institute of Company Secretaries of India is organizing International Webinar on Sustainable Leadership for Effective Corporate Governance on Saturday, October 8, 2022. Webinar Link: <https://ecpl.live/icsi/08102022/>

Advertisement for MBA (HR) Professional (on contract) at IEPFA, New Delhi

In accordance with the understanding between the Institute of Company Secretaries of India (ICSI) and Investor Education and Protection Fund Authority (IEPFA) for deployment of Resources on contract by ICSI at IEPFA, New Delhi, the ICSI invites applications for the post of Floor Manager (on Contractual Basis). The link shall be active from 07.10.2022 to 24.10.2022 is the last date for applying Online.

Engagement of Consultant (GST) on Contract basis at ICSI for Dte. of Academics (Noida)

The Institute of Company Secretaries of India (ICSI) invites applications for the post Consultant (GST) on contractual basis. The tenure for the position will be initially for a period of one year. The period of contract may be extended every year up to a maximum period of two more years based on the performance and the requirement. The link (<https://forms.gle/3JPWNKPvFZFGAU52A>) shall be active from 10.10.2022 to 25.10.2022.

Advertisement for Consultant (on contract) at New Delhi

The Institute of Company Secretaries of India (ICSI) invites applications for Consultant on contractual basis. Interested candidates must apply only through electronic application form (Online). The link shall be active from 12.10.2022 to 18.10.2022 (18.10.2022 is the last date for applying Online).

Ministry of Corporate Affairs

Info Capsule Series 13

Appointment of Whole Time Member in IBBI (July 14, 2022)

In exercise of the powers conferred by section 189 of the Insolvency and Bankruptcy Code, 2016, the Central Government appointed Shri Jayanti Prasad, as a Whole time member of the Insolvency and Bankruptcy Board of India for a period of five years from the date of assumption of charge of the post i.e. with effect from the 5th July, 2022 or upto the age of sixty-five years or until further orders, whichever is the earliest.

For details:

<https://egazette.nic.in/WriteReadData/2022/237330.pdf>

Clarification on spending of CSR funds for "Har Ghar Tiranga" campaign - reg. (July 26, 2022)

'Har Ghar Tiranga', a campaign under the aegis of Azadi Ka Amrit Mahotsav, is aimed to invoke the feeling of patriotism in the hearts of the people and to promote awareness about the Indian National Flag. In this regard, it is clarified that spending of CSR funds for the activities related to this campaign, such as mass scale production and supply of the National Flag, outreach and amplification efforts and other related activities, are eligible CSR activities under item no. (ii) of Schedule VII of the Companies Act, 2013 pertaining to promotion of education relating to culture. The companies may undertake the aforesaid activities, subject to fulfillment of the Companies (CSR Policy) Rules, 2014 and related circulars/ clarifications issued by the Ministry thereof, from time to time.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=dXH1ziMu%252FmN%252BB SRLHN9evw%253D%253D&type=open>

CBDT notification for PAN integration with LLP incorporation form FiLLip (July 26, 2022)

The Central Board of Direct Taxes vide its notification dated July 26, 2022 has notified the procedure of PAN application and allotment through Simplified Proforma for incorporating Limited Liability Partnerships (LLPs) electronically (Form : FiLLip) of the Ministry of Corporate Affairs. In exercise of the powers delegated by the Central Board of Direct Taxes vide notification G.S.R dated 09.02.2017, the Director General of Income-tax (Systems) laid down applicable form, format and procedure for Permanent Account Number (PAN) application filing by LLPs.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=kvBTyn49INIMUOv%252B38VTDg%253D%253D&type=open>

1,67,080 companies registered in FY 2021-22 as compared to 1,55,377 in FY 2020-21 (August 01, 2022)

Limited Liability Partnership (LLP) and Companies are incorporated under the Ministry of Corporate Affairs as per the provisions of LLP Act, 2008 and Companies Act, 2013. This was stated by Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Lok Sabha August 01, 2022. Giving more details, the Minister stated that during FY 2021-22, 1,67,080 companies were registered as compared to 1,55,377 in the previous year. Further, during FY 2020-21, 43,050 LLPs were registered as compared to 42,187 in previous year.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1847127>

The Companies (Incorporation) Third Amendment Rules, 2022 (August 18, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 18, 2022 has notified “The Companies (Incorporation) Third Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment, rule 25B is inserted in the Companies (Incorporation) Rules, 2014, stating physical verification of registered office of the company by the Registrar in terms of section 12(9) of the Companies Act, 2013 in presence of two witnesses of the locality. The Registrar shall carry the documents as filed on MCA 21 in support of address of the registered office of the company for the purposes of physical verification and take a photograph of the registered office. Further a report of physical verification of the registered office of the company is also required to be in the prescribed format.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=wIHQjtXEQJK%252F7i1M2jM5wQ%253D%253D&type=open>

Ministry of Corporate Affairs-Important Update (August 22, 2022)

In view of the upcoming launch of 9 Company forms in V3 i.e. DIR3-KYC Web, DIR3-KYC Eform, DPT-3, DPT-4, CHG-1, CHG-4, CHG-6, CHG-8 & CHG-9, LLP V3 portal will not be available from 27th Aug (12:00AM) to 28th Aug (11:59PM). V2 Portal for company filing will remain available. Stakeholders may plan accordingly.

For details:

<https://www.mca.gov.in/content/mca/global/en/notifications-tender/newsupdates/updates.html>

Update on MCA21 Version-3 (August 24, 2022)

MCA21 version-3.0 is a technology-driven forward looking project, envisioned to strengthen enforcement, promote Ease of Doing Business and enhance user experience. MCA21 version-3.0 rollout has been planned in phases to ensure minimum disruption in regulatory filings. 09 company forms (CHG-1, CHG-4, CHG-6, CHG-8, CHG-9, DIR-3 KYC, DIR3 KYC WEB, DPT-3 and DPT-4) are scheduled to go-live on 01.09.2022 (00:00 hrs). Remaining company forms and other modules like eAdjudication, Compliance Management System are scheduled to be fully deployed within this Calendar Year.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1854102>

The Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2022 (August 26, 2022)

MCA vide its notification dated August 24, 2022 has notified “the Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette. The aforesaid rules made amendment in Form No. STK 1, Form No. STK - 5 and Form No. STK-5A pertaining to opting the checkpoint: “the company is not carrying on any business or operations, as revealed after the physical verification carried out under Section 12(9) of the Companies Act, 2013”.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=z76om3NiBGIHmWy4e0HtcA%253D%253D&type=open>

The Companies (Acceptance of Deposits) Amendment Rules, 2022 (August 29, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified “the Companies (Acceptance of Deposits) Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment in rule 16 of the Companies (Acceptance of Deposits) Rules, 2014: every company to which these rules apply, shall file return of deposit in E Form DPT-3 and furnish the information contained therein as on the 31st day of March of that year duly audited by the auditor of the company and declaration to that effect shall be submitted by the auditor in E Form DPT3. Also, the E Form DPT-3 and E Form DPT-4 are substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=99KwRbJSkMXjVLv09KTgJg%253D%253D&type=open>

The Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022 (August 29, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified “the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment the E Form DIR-3-KYC and Form DIR-3-KYC-WEB are substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=slrNNMj6rSE43YrWxXorGw%253D%253D&type=open>

The Companies (Registration of Charges) Second Amendment Rules, 2022 (August 29, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 29, 2022 has notified “the Companies (Registration of Charges) Second Amendment Rules, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment rule 13 is inserted by stating that, signing of charge e-forms (i.e. Form No. CHG-1, CHG-4, CHG-8 and CHG-9) by insolvency professional or resolution professional or liquidator for companies under resolution or liquidation, as the case may be and filed with the Registrar. Further, the E Form No. CHG-1 is substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=406aHVQPvWMAUqWvIFEow%253D%253D&type=open>

Ministry of Corporate Affairs-Important Update (August 31, 2022)

Stakeholders please note that 9 Company forms (DIR3-KYC Web, DIR3-KYC eform, CHG-1, CHG-4, CHG-6, CHG-8, CHG-9, DPT-3, DPT-4) are available in V3 portal for filing purposes.

For details:

<https://www.mca.gov.in/content/mca/global/en/home.html>

Amendment in the notification pertaining to application for Fast Track Corporate Insolvency Resolution Process (September 02, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated August 30, 2022 has notified the amendment in the notification no. S.O. 1911(E) dated June 14, 2017. As per the amendment, an application for fast track corporate insolvency resolution process may be made in respect of the following corporate debtors, namely: (a) a small company as defined under clause (85) of section 2 of Companies Act, 2013; or “(b) a Startup (other than the partnership firm) as defined in the notification of the Government of India in the Ministry of Commerce and Industry number G.S.R. 127(E), dated the 19th February, 2019, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 19th February, 2019 and as amended from time to time; or” (c) an unlisted company with total assets, as reported in the financial statement of the immediately preceding financial year, not exceeding rupees one crore.

For details:

<https://egazette.nic.in/WriteReadData/2022/238571.pdf> &
https://ibbi.gov.in/webadmin/pdf/legalframwork/2017/Jul/notification_before_publication.pdf

MCA crackdown on Chinese shell companies in India (September 11, 2022)

After the simultaneous search and seizure operations conducted by the Ministry of Corporate Affairs on 8th Sept. 2022, on the offices of Jillian Consultants India Private Ltd, a wholly owned subsidiary of Jilian Hong Kong Ltd., at Gurgaon, Fininty Pvt Ltd at Bangalore and Husys Consulting Ltd, an erstwhile listed company at Hyderabad, the Serious Fraud Investigation Office (SFIO) has arrested Mr Dortse.

Mr Dortse is on the Board of Jillian India Ltd and has clearly emerged as the mastermind of the whole racket of incorporating large number of shell companies with Chinese links in India and providing dummy Directors on their Boards. The arrested person Mr. Dortse had shown himself to be a resident of Mandi in Himachal Pradesh as per the records filed with the Registrar of Companies.

Evidence procured during the enquiry by ROC Delhi and the simultaneous search operations clearly points to dummy Directors being paid by Jilian India Ltd. to act as dummies in several shell companies. Boxes filled with company seals and digital signatures of dummy directors have been recovered from the site. The Indian employees were in touch with the Chinese counterparts through a Chinese instant messaging app. Husys Ltd. was also found to be acting on behalf of Jilian India Ltd. Initial observations reveal that Husys Ltd. had a pact with Jilian Hong Kong Ltd. Investigations so far have revealed the possible involvement of these shell companies in serious financial crimes detrimental to the financial security of the country.

For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1858389>

The Companies (Specification of Definition Details) Amendment Rules, 2022 (September 15, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated September 15, 2022 has notified “the Companies (Specification of Definition Details) Amendment Rules, 2022” which came into force on the date of its publication in the Official Gazette. According to the amendment the definition of Small Company is modified as under: “For the purposes of Section 2(85)(i) and (ii) of the Companies Act, 2013, the paid up capital and turnover of the small company shall not exceed rupees four crore and rupees forty crore respectively.”

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=tiMs9IFJ8xuPm%252B%252F0xc6fUw%253D%253D&type=open>

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 (September 20, 2022)

The Ministry of Corporate Affairs (MCA) vide its notification dated September 20, 2022 has notified “the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022” which has come into force on the date of its publication in the Official Gazette. According to the amendment the proviso to rule 3(1) has been inserted stating that, a company having any amount in its Unspent Corporate Social Responsibility Account as per section 135(6) shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.”

In case of CSR implementation, the Board shall ensure that the CSR activities are undertaken by the company itself or through a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company; or a company as mentioned above is having an established track record of at least three years in undertaking similar activities.

Further, a Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher; and the format for the annual report on CSR activities to be included in the board’s report for financial year commencing on or after the 1st day of April, 2020 has been substituted.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mds=1Wt3uUYzV0rGCr2Vxa8ztQ%253D%253D&type=open>

Ministry of Corporate Affairs (MCA) : Clarification (September 26, 2022)

Amendment to Schedule III to the Companies Act, 2013 vide MCA Notification GSR. 207(E) dated 24th March 2021 mandates companies to round off the figures appearing in the Financial Statements depending upon their total income. However, if the companies provide absolute figures in eforms i.e., AOC-4, the same shall not be treated as incorrect certification by the Professionals.

For details:

<https://www.mca.gov.in/content/mca/global/en/home.html>

Extension of time for filing e-form DIR-3-KYC and web-form DIR-3-KYC-WEB without fee (September 28, 2022)

On receipt of representation to Ministry of Corporate Affairs (MCA) for extension of time beyond 30.09.2022 for filing e-form DIR-3-KYC and web-Form DIR-3-KYC-WEB without payment of fee. The MCA on examination of the matter, has decided to allow filing of e-form DIR-3-KYC and web-Form DIR-3-KYC-WEB without filing fee upto October 15, 2022.

For details:

<https://www.mca.gov.in/bin/dms/getdocument?mcs=2itVg%252FZQrw%252FU4s9JXtbS1w%253D%253D&type=open>

Ministry of Finance

Info Capsule Series 13

Auction for Sale (re-issue) of (i) '7.38 GS 2027', (ii) 'Gol Floating Rate Bond 2028', (iii) '7.54% GS 2036' (iv) '6.99% GS 2051' (July 25, 2022)

The Government of India (GoI) has announced the Sale (reissue) of (i) "7.38% Government Security, 2027" for a notified amount of Rs 9,000 crore (nominal) through price based auction using uniform price method; (ii) "Gol Floating Rate Bonds, 2028" for a notified amount of Rs 4,000 crore (nominal) through price based auction using uniform price method; (iii) "7.54% Government Security 2036" for a notified amount of Rs 11,000 crore (nominal) through price based auction using uniform price method and (iv) "6.99% Government Security 2051" for a notified amount of Rs 8,000 crore (nominal) through price based auction using multiple price method. GoI will have the option to retain additional subscription up to Rs 2,000 crore against each security mentioned above. The auctions will be conducted by the Reserve Bank of India, Mumbai Office, Fort, Mumbai on July 29, 2022 (Friday).

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1844782>

Government monitoring price rise situation of major essential commodities on regular basis (July 26, 2022)

The price situation of major essential commodities is monitored by the Government on a regular basis and corrective action is taken from time to time. Several supplyside measures have been taken by the Government to address inflation. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply in Rajya Sabha.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1845056>

Cabinet approves enhancement in the corpus of Emergency Credit Line Guarantee Scheme for increasing the limit of admissible guarantees (August 17, 2022)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved the enhancement in the limit of Emergency Credit Line Guarantee Scheme (ECLGS) by Rs 50,000 crore from Rs. 4.5 Lakh crore to Rs. 5 Lakh crore, with the additional amount being earmarked exclusively for enterprises in hospitality and related sectors. The increase has been done on account of the severe disruptions caused by COVID19 pandemic on hospitality and related enterprises.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1852529>

Sovereign Gold Bond Scheme 2022-23 (Series II) - Issue Price (August 19, 2022)

In terms of Government of India Notification No.4(6)- B(W&M)/2022 dated June 15, 2022, Sovereign Gold Bonds 2022-23 (Series II) will be opened for subscription during the period August 22-26, 2022 with Settlement date August 30, 2022. The issue price of the Bond during the subscription period shall be Rs 5,197 (Rupees five thousand one hundred ninety seven only) per gram, as also published by RBI in their Press Release dated August 19, 2022.

For details:

<https://www.pib.gov.in/PressReleaseDetail.aspx?PMO=3&PRID=1853194>

Overseas investment rules and regulations notified (August 22, 2022)

In line with the amendment in the Foreign Exchange Management Act, Outward Investments Rules have been framed by the Government of India in consultation with the Reserve Bank. Presently, the overseas investment by a person resident in India is governed by the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015.

The Government of India in consultation with the Reserve Bank undertook a comprehensive exercise to simplify these regulations. Draft Foreign Exchange Management (Overseas Investment) Rules and draft Foreign Exchange Management (Overseas Investment) Regulations were also put in the public domain for consultations. Extant regulations pertaining to Overseas Investments and Acquisition and Transfer of Immovable Property Outside India have been subsumed within these rules and regulations.

In view of the evolving needs of businesses in India, in an increasingly integrated global market, there is need of Indian corporates to be part of global value chain. The revised regulatory framework for overseas investment provides for simplification of the existing framework for overseas investment and has been aligned with the current business and economic dynamics. Clarity on Overseas Direct Investment and Overseas Portfolio Investment has been brought in and various overseas investment related transactions that were earlier under approval route are now under automatic route, significantly enhancing "Ease of Doing Business".

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1853679>

State Infrastructure Outreach Workshop by IFS, DEA and Government of Maharashtra - Mumbai Chapter (August 24, 2022)

To expedite implementation of infrastructure projects across the country, Infrastructure Finance Secretariat (IFS) established under the Department of Economic Affairs, Ministry of Finance in partnership with Dept. of Urban Development, Government of Maharashtra, conducted a focused workshop on infrastructure with State Governments of Maharashtra, Gujarat, Karnataka and Andhra Pradesh on 22nd August 2022 at Trident Hotel, Nariman Point, Mumbai.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1854135>

India's external debt rises 8.2% to \$620.7 bn till Mar 2022: FinMin report (September 05, 2022)

India's external debt rose by 8.2 per cent year-on-year to USD 620.7 billion as of March 2022, which according to the Finance Ministry is sustainable. While 53.2 per cent of it was denominated in the US dollar, Indian rupee-denominated debt, estimated at 31.2 per cent, was the second largest, as per the status report on India's external debt released by the ministry.

For details:

https://www.businessstandard.com/article/economypolicy/india-s-external-debt-rises-8-2-to-620-7-bn-till-mar2022-finmin-report122090501185_1.html

Finance Minister Smt. Nirmala Sitharaman chairs meeting on “Illegal Loan Apps” (September 09, 2022)

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman chaired a meeting yesterday to discuss the various issues related to “Illegal Loan Apps” outside the regular banking channels. The meeting was attended by the Finance Secretary, Ministry of Finance; Secretary, Economic Affairs; Secretary, Revenue, & Corporate Affairs (Addl. Charge); Secretary, Financial Services; Secretary, Electronics & Information technology; Deputy Governor, RBI; and Executive Director, RBI.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1857998>

Appointment of Appellate Authority under Section 4(2) of the SARFAESI Act, 2002 (September 16, 2022)

In exercise of the powers conferred by Sub-Section 2 of Section 4 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, and in supersession of the notification of the Government of India number S.O. 931 (E) dated 2.3.2020, the Central Government hereby designates Joint Secretary or equivalent officer in the Department of Financial Services, Ministry of Finance, Government of India, handling the work related to aforesaid Act, to hear and dispose of Appeals of an Asset Reconstruction Company under the provisions of Sub Section (2) of Section 4 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

For details:

<https://egazette.nic.in/WriteReadData/2022/238936.pdf>

Securities Laws and Capital Market

Info Capsule Series 13

SEBI Circulars

- **Levy of Goods & Services Tax (GST) on the fees payable to SEBI (July 18, 2022)**

The GST Council in its meeting held on June 28 and June 29, 2022, recommended inter alia to withdraw the exemption granted to services by SEBI and the same has been notified vide Notification No.4/2022 dated 13th July, 2022. Accordingly, all the Market Infrastructure Institutions, Companies who have listed / are intending list their securities, other intermediaries and persons who are dealing in the securities market, are hereby informed that the fees and other charges payable to SEBI shall be subject to GST at the rate of 18% with effect from July 18, 2022.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2022/levy-of-goods-and-services-tax-gst-on-the-fees-payable-to-sebi_60880.html

https://www.sebi.gov.in/legal/circulars/jul-2022/levy-of-goods-and-services-tax-gst-on-the-fees-payable-to-sebi_60880.html

- **Operational Circular for listing obligations and disclosure requirements for Nonconvertible Securities, Securitized Debt Instruments and/ or Commercial Paper (July 29, 2022)**

For effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place, SEBI has issued this Operational Circular. This Operational Circular is a compilation of the relevant existing circulars, with consequent changes. The stipulations contained in these circulars have been detailed chapter-wise in this operational circular. For ease of reference, each chapter of this operational circular contains footnotes corresponding to the respective erstwhile circulars. Accordingly, the circulars listed at Annex - 1 stand superseded by this Operational Circular except circulars which were issued to 'all listed entities', which shall continue to apply to entities that have listed specified securities.

For details:

https://www.sebi.gov.in/legal/circulars/jul-2022/lodr-single-operational-circular-for-listing-obligations-and-disclosure-requirements-for-non-convertible-securities-securitized-debt-instruments-and-or-commercial-paper_61345.html

- **Circular on use of digital signature certificate for announcements submitted by listed companies (August 02, 2022)**

Considering the advantages of using digital signature certifications for authentication of documents / filings, Stock Exchanges, in consultation with each other and SEBI, have decided to make it mandatory to file announcements under various SEBI Regulations using digital signature certification to the Stock Exchange except for Outcome of Board meeting which includes only financial result, any disclosure in which documents issued by entities other than listed company are included (For e.g., Auditors certificate, NCLT / other court's order, Credit Rating, etc.), Newspaper advertisement and any other disclosure as specified by Stock Exchanges from time to time. The circular shall be effective from September 01, 2022.

For details:

<https://static.nseindia.com/s3fs-public/inline-files/Circular%20on%20use%20of%20digital%20signature%20certificate.pdf>

- **Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) - Framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level (August 05, 2022)**

In order to rationalize the compliance requirement under Clause 4 of Schedule B read with Regulation 9 of PIT Regulations, improve ease of doing business and prevent inadvertent non-compliances of provisions of PIT Regulations by DPs, SEBI vide this circular has provided that Stock Exchanges and Depositories shall develop a system to restrict trading by DPs of listed company during trading window closure period. The provisions of this circular shall be applicable to declaration of financial results of the listed company that is or was part of benchmark indices i.e. NIFTY 50 and SENSEX from the date of implementation of this circular. The procedure for implementation of the system is enclosed at Annexure- A. and the flow chart of the same is enclosed at Annexure - B. This circular shall come into force with effect from the quarter ending September 30, 2022 and the Compliance Officer and DPs of listed companies are advised to continue independently complying with the obligations under PIT Regulations, as applicable to them, till further communication.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2022/trading-window-closure-period-under-clause-4-of-schedule-b-read-with-regulation-9-of-sebi-prohibition-of-insider-trading-regulations-2015-framework-for-restricting-trading-by-designated-persons-b-_61781.html

- **Guidelines for overseas investment by Alternative Investment Funds (AIFs) / Venture Capital Funds (VCFs) (August 17, 2022)**

In terms of Regulation 12(ba) of erstwhile SEBI (Venture Capital Funds) Regulations 1996 and Regulation 15(1)(a) of SEBI (Alternative Investment Funds) Regulations, 2012, AIFs/VCFs may invest in securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the Reserve Bank of India and SEBI from time to time. SEBI vide this circular has issued Guidelines for overseas investment by AIFs /VCFs. It is specified that AIFs/VCFs shall file an application to SEBI for allocation of overseas investment limit in the format specified at Annexure A to this circular.

For details:

https://www.sebi.gov.in/legal/circulars/aug-2022/guidelines-for-overseas-investment-by-alternative-investment-funds-aifs-venture-capital-funds-vcfs-_62020.html

- **Master Circular on Surveillance of Securities Market (September 13, 2022)**

In order to ensure availability of comprehensive information mentioned in the circulars pertaining to Surveillance of Securities Market at one place, SEBI has been issuing Master Circular. This circular covers various circulars issued till August, 31, 2022 by Integrated Surveillance Department. This Master Circular shall supersede previous Master Circular No. SEBI/HO/ISD/ISD/CIR/P/2021/22 dated March 01, 2021.

For details:

https://www.sebi.gov.in/legal/master-circulars/sep-2022/master-circular-on-surveillance-of-securities-market_62914.html

- **Issue and listing of Commercial Paper by listed REITs/InvITs (September 22, 2022)**

SEBI vide its two separate circulars has provided that, REITs/InvITs may issue listed commercial papers subject to that REITs/InvITs shall abide by the guidelines prescribed by Reserve Bank of India for issuances of commercial papers and shall abide by the conditions of listing norms prescribed by SEBI under SEBI (Issue and Listing of NonConvertible Securities) Regulations, 2021 and circulars issued thereunder. Further provided that, the issuance of listed CPs shall be within the overall debt limit permitted under SEBI (Real Estate Investment Trusts) Regulations, 2014 and SEBI (Infrastructure Investment Trusts) Regulations, 2014.

For details:

https://www.sebi.gov.in/legal/circulars/sep-2022/issue-and-listing-of-commercial-paper-by-listed-reits_63264.html

https://www.sebi.gov.in/legal/circulars/sep-2022/issue-and-listing-of-commercial-paper-by-listed-invits_63263.html

SEBI Notification

- **SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 (July 25, 2022)**

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022, which shall come into force on the date of their publication in the Official Gazette. Vide this notification SEBI has prescribed the framework for Social Stock Exchange and inserted a separate Chapter X-A under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Social Stock Exchange means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register Not for Profit Organizations and / or list the securities issued by Not for Profit Organizations in accordance with provisions of these regulations. The provisions of the above mentioned Chapter shall apply to-

- a Not for Profit Organization seeking to only get registered with a Social Stock Exchange;
- a Not for Profit Organization seeking to get registered and raise funds through a Social Stock Exchange; and
- a For Profit Social Enterprise seeking to be identified as a Social Enterprise under the provisions of this Chapter.

For details:

<https://egazette.nic.in/WriteReadData/2022/237561.pdf>

- **SEBI (Portfolio Managers) (Amendment) Regulations, 2022 (August 22, 2022)**

SEBI vide its notification dated August 22, 2022, amends the provisions of SEBI (Portfolio Managers) Regulations, 2020, which shall come into force on the thirtieth day from the date of their publication in the Official Gazette. Vide this amendment SEBI has enhanced prudential norms for investments by portfolio managers including investments in associates/ related parties. It is provided that the portfolio manager may make investments in the securities of its related parties or its associates only after obtaining the prior consent of the client in such manner as may be specified by the SEBI from time to time. Further provided that the portfolio manager shall ensure compliance with the prudential limits on investments as may be specified by the SEBI.

For details:

<https://egazette.nic.in/WriteReadData/2022/238238.pdf>

SEBI News

- **SEBI empanels 8 entities to provide digital forensic services (July 12, 2022)**

Capital markets regulator SEBI empanelled eight entities, including Deloitte Touche Tohmatsu India LLP and Ernst & Young LLP, for providing digital forensic services. These agencies will be required to provide assistance to SEBI's search team for onsite data acquisition during search and seizure operations. They have been empanelled for providing digital forensic services to the regulator following the completion of empanelment process. The empanelment will be valid for the period of one year.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-empanels-8-entitiesto-provide-digital-forensic-services/articleshow/92832507.cms>

- **SAT directs Shivinder Singh to deposit 50% of SEBI's penalty in Fortis case (July 14, 2022)**

Securities Appellate Tribunal (SAT) has directed businessman Shivinder Mohan Singh to deposit 50 per cent of the penalty imposed by SEBI within six weeks in connection with a case related to Fortis Healthcare. If the amount is deposited, then the markets regulator will not make further recovery, the Securities Appellate Tribunal (SAT) said in its order passed on July 8, 2022. The order came after a plea filed by him against the regulator's order passed in April, whereby it had slapped a fine of Rs. 5 crore each on Shivinder Mohan Singh and his brother Malvinder Mohan Singh, who were promoters of Fortis Healthcare. The case relates to the Singh brothers, along with other entities, allegedly diverting funds from Fortis Healthcare for the ultimate benefit of RHC Holding Pvt. Ltd. an entity indirectly owned and directly controlled by the erstwhile promoters.

For details:

https://www.business-standard.com/article/markets/sat-directs-shivinder-singh-to-deposit-50-of-sebi-s-penalty-in-fortis-case-122071301050_1.html

- **Pramod Rao takes charge as SEBI's executive director (July 19, 2022)**

Capital markets regulator SEBI announced that Pramod Rao has taken charge as its executive director. He will handle the department of debt and hybrid securities as well as the enquiry and adjudication department. Rao took charge as executive director at SEBI on July 15, 2022. Before this assignment, he held the position of Group General Counsel at ICICI Bank and provided strategic oversight to the legal function of the ICICI group.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/pramod-rao-takes-charge-as-sebis-executivedirector/articleshow/92987582.cms>

- **SEBI provides directive for sub-KYC user agency for Aadhaar authentication (July 20, 2022)**

Capital markets regulator SEBI issued directives for subKYC user agencies to provide Aadhaar authentication services to their clients for the purpose of know your customer (KYC). This comes after the government last week notified 155 entities as subKUAs (KYC user agencies) to use Aadhaar authentication services of the UIDAI (Unique Identification Authority of India).

For details:

https://www.business-standard.com/article/economy-policy/sebi-provides-directive-for-sub-kyc-user-agency-for-aadhaar-authentication-122072001050_1.html

- **SEBI proposes regulatory framework for online bond platforms (July 22, 2022)**

Capital markets regulator SEBI proposed a regulatory framework for the online bond platforms that are selling listed debt securities. Under the proposal, bond platforms should register as stock brokers (debt segment) with the SEBI or be run by SEBI-registered brokers, according to a consultation paper. This will also enhance the confidence among investors, particularly non-institutional investors, as the platforms would be provided by SEBI-regulated intermediaries. Additionally, the stock-broker regulations will be applicable to these entities, which would govern their code of conduct and other aspects related to their operations and risk management.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-proposes-regulatory-framework-for-onlinebond-platforms-8867651.html>

- **SEBI warns public against dealing in properties of PACL Group, subsidiaries (July 25, 2022)**

A SEBI-panel on Monday (July 25, 2022) cautioned the public against dealing in the properties of PACL Group and its subsidiaries, saying no one has been authorised to sell the properties. PACL, also known as Pearl Group, had raised money from the public in the name of agriculture and real estate businesses. According to the SEBI, PACL collected more than Rs 60,000 crore through illegal collective investment schemes (CIS) over a period of 18 years. A committee, headed by former Chief Justice of India R M Lodha, is overseeing the process of disposing of properties to refund investors after verifying their genuineness. It has already initiated the process of refund in phases. The panel was set up by SEBI in 2016 following a Supreme Court order.

For details:

https://www.business-standard.com/article/markets/sebi-warns-public-against-dealing-in-properties-of-pacl-group-subsidiaries-122072500677_1.html#:~:text=A%20Sebi%2Dpanel%20on%20Monday,agriculture%20and%20real%20estate%20businesses

- **Varun Beverages: Two entities settle insider trading case with SEBI (July 26, 2022)**

Spank Management Services and Patanjali Govind Keswani have settled with markets regulator SEBI a case pertaining to alleged insider trading in the shares of Varun Beverages after paying Rs 73 lakh. The order came after the two applicants proposed to settle the alleged violations of insider trading rules, "without admitting or denying the findings" through a settlement order. The regulator had conducted an investigation in the matter to ascertain whether certain entities have traded in the scrip of Varun Beverages Ltd (VBL) during the period of December 21, 2017 to January 4, 2018 on the basis of Unpublished Price Sensitive Information (UPSI) pertaining to VBL entering into strategic partnership with PepsiCo India for sale and distribution of the larger Tropicana portfolio.

For details:

https://www.business-standard.com/article/companies/varun-beverages-two-entities-settleinsider-trading-case-with-sebi-122072601094_1.html

- **SEBI again extends deadline for commencing KYC record validation by KRAs (July 27, 2022)**

Capital markets regulator SEBI extended the deadline by three months to November 1, 2022, for commencing the validation of all KYC records by KYC Registration Agencies (KRAs). This is the second time, when the Securities and Exchange Board of India (SEBI) has extended the deadline. Initially, such agencies were required to independently validate the Know your Client or KYC records of all clients by July 1, 2022, which was extended till August 1, 2022. Now once again the regulator has received requests from the KRAs to extend the timelines.

For details:

<https://www.moneycontrol.com/news/india/sebi-againextends-deadline-for-commencing-kyc-record-validationby-kras-8900251.html>

- **SEBI revises settlement rules for running accounts (July 28, 2022)**

SEBI has revised rules on the settlement of running accounts of clients' funds lying with stockbrokers. The regulator said brokers should settle running accounts of clients' funds after considering the end-of-the-day obligation of funds as on the date of settlement across all the exchanges on the first Friday of the quarter. For clients, who have opted for monthly settlement, running accounts should be settled on the first Friday of every month. If the first Friday is a trading holiday, then such settlement should happen on the previous trading day. As per rules, brokers are required to carry out the settlement of funds and securities depending on the mandate of the client. They must maintain a gap of a maximum of 90 or 30 days, as per the choice of the client between two settlements of running account.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-revises-settlement-rules-for-runningaccounts/articleshow/93173763.cms>

- **SEBI penalises eight individuals for violation of insider trading norms (July 28, 2022)**

Capital markets regulator SEBI imposed fines totalling Rs 8 lakh on eight individuals for violation of insider trading norms in the shares of Titan Company Ltd. The transactions were carried out between April 2018 and March 2019 when they were designated employees of Titan Company. The order came after SEBI received a letter from Titan Company Ltd (TCL), wherein the company intimated the regulator about alleged violations of Prohibition of Insider Trading (PIT) and company's code of conduct by some of its designated persons/employees.

For details:

https://www.business-standard.com/article/pti-stories/sebi-penalises-8-individuals-forbreach-of-insider-trading-norm-in-titan-share-trades-122072701206_1.html

- **Religare Finvest fund diversion case: SEBI imposes Rs 60 cr fine on Singh brothers, 8 others (July 28, 2022)**

Capital markets regulator SEBI imposed a penalty totalling Rs 60 crore on 10 entities, including Malvinder Mohan Singh and Shivinder Mohan Singh, in a case involving the diversion of funds of Religare Finvest. In addition, the Singh brothers have been barred from the securities market for three years, or till the recovery of the diverted money along with interest, while other entities have been prohibited for two years. The case relates to the diversion of funds to the tune of Rs 2,473.66 crore of Religare Finvest Ltd (RFL), a subsidiary of Religare Enterprises Ltd (REL), during FY 2014-15

till FY 2017-18, in the garb of loans through layers of entities for the ultimate benefits of entities controlled by the erstwhile promoters -- Singh brothers.

For details:

<https://www.moneycontrol.com/news/business/religare-finvest-fund-diversion-case-sebi-imposes-rs-60-cr-fineon-singh-brothers-8-others-8908771.html>

- **PVR matter: Individual pays Rs 31 lakh for settlement with SEBI (July 28, 2022)**

An individual has settled with markets regulator SEBI a case related to alleged violations of insider trading rules in the shares of PVR Ltd, by paying nearly Rs 31 lakh. The move came after the person -- Kamal Gianchandani -- approached SEBI to settle the adjudication proceedings initiated against him through a settlement order. Gianchandani was heading the PVR Pictures Ltd during the investigation period from April 2014 to March 2017 and was also a designated person of PVR Ltd, the order noted.

For details:

<https://www.moneycontrol.com/news/business/pvrmatter-individual-pays-rs-31-lakh-for-settlement-withsebi-8908711.html>

- **SEBI defers implementation of MF holders' nomination rules till October 1, 2022 (July 30, 2022)**

Markets regulator SEBI deferred the implementation of rules pertaining to nomination for mutual fund holders till October 1, 2022. The rules, which mandate investors, subscribing to mutual fund units, to submit details of nomination or opting out of nomination, was to come into force August 1, 2022. Now, investors, who are subscribing to mutual fund units from October 1, 2022 will have the choice of providing nomination or opting out nomination.

For details:

https://www.business-standard.com/article/markets/sebi-defers-implementation-of-mfholders-nomination-rules-till-oct-1-122072901088_1.html

- **Inadequate KYCs: SEBI lays down rules for deactivation of accounts (July 30, 2022)**

Capital markets regulator SEBI released a framework for automated deactivation of trading and demat accounts of investors in case of inadequate Know Your Client (KYC) details. The framework will come into effect from August 31, 2022. Noting that addresses form a critical part of the KYC procedures, SEBI said that every address recorded for the purpose of compliance with the KYC procedures has to be accurate.

For details:

[https://www.business-standard.com/article/pti-stories/sebi-lays-rules-for-automated-deactivation-of-trading-demat-accounts-in-case-of-inadequate-kycs-122072901250_1.html#:~:text=Capital%20markets%20regulator%20Sebi%20on,Sebi\)%20said%20in%20a%20circular.](https://www.business-standard.com/article/pti-stories/sebi-lays-rules-for-automated-deactivation-of-trading-demat-accounts-in-case-of-inadequate-kycs-122072901250_1.html#:~:text=Capital%20markets%20regulator%20Sebi%20on,Sebi)%20said%20in%20a%20circular.)

- **Two entities pay Rs 63 lakh to settle Varun Beverages case with SEBI (August 01, 2022)**

Fenton Investments and Arvind Singhanian settled with markets regulator SEBI a case pertaining to alleged insider trading in the shares of Varun Beverages after paying Rs 63 lakh. The two applicants proposed to settle the alleged violations of insider trading rules "without admitting or denying the findings" through a settlement order. The regulator had conducted an investigation to ascertain whether certain entities traded in the scrip of Varun Beverages Ltd (VBL) during December 21, 2017 to January 4, 2018 on the basis of Unpublished Price Sensitive Information (UPSI) related to the company entering into a strategic partnership with PepsiCo India for sale and distribution of the larger Tropicana portfolio.

For details:

https://www.business-standard.com/article/markets/two-entities-pay-rs-63-lakh-to-settlevarun-beverages-case-with-sebi-122080101241_1.html

- **SEBI amends the rules for mutual funds, defines 'associate' (August 04, 2022)**

SEBI has amended mutual fund rules to remove the applicability of the definition of "associate" to sponsors that invest in various companies on behalf of the beneficiaries of insurance policies. The new rules will become effective from September 3, the Securities and Exchange Board of India (SEBI) said in a notification. Under the rules, associate includes a person who directly or indirectly, by himself, or in combination with relatives, exercises control over the Asset Management Company (AMC) or the trustee, among others. At present, there are 43 mutual fund houses, which together manage assets worth nearly Rs 38 lakh crore.

For details:

https://www.business-standard.com/article/pti-stories/sebi-amends-mutual-fund-rules-122080401023_1.html

- **SEBI constitutes an expert group of FPIs to boost overseas flows (August 06, 2022)**

SEBI has constituted an expert group of foreign portfolio investors (FPIs) to boost overseas flows into the country. The FPI Advisory Committee (FAC) will be chaired by KV Subramanian, Former Chief Economic Adviser and consists of 14 other members representing foreign banks, stock exchanges, depositories and the RBI. The FAC has been tasked with advising on issues related to investments and operations of FPIs in the financial markets, including measures to facilitate ease of doing business by FPIs in India. Also, to review investment avenues available for FPIs and to advise on feasibility of new investment avenues. And to suggest measures required to encourage FPI participation in the bond market.

For details:

https://www.business-standard.com/article/markets/sebi-constitutes-an-expert-group-of-fpis-to-boost-overseas-flows-122080600005_1.html

- **SEBI bars Securecloud Technologies, 3 individuals from securities markets (August 09, 2022)**

SEBI has barred Securecloud Technologies Ltd and three individuals from the securities market for alleged manipulation of financial statements as well as siphoning off funds of the company. Further, they have been barred from acting as directors or key managerial personnel of any listed public company or as promoters of any public company which intends to raise money from the public. SEBI started a probe pursuant to certain complaints alleging irregularities by promoters and management in the company and the resignation of its statutory auditor, Deloitte Haskins and Sells, citing various corporate governance lapses.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-barssecurecloud-technologies-3-individuals-from-securitiesmarkets-8986381.html>

- **NSE tracks insider trading rules compliance (August 15, 2022)**

About a week ago, the country's largest bourse, National Stock Exchange (NSE) shared a compliance certificate format with many companies which have to give specific declaration on whether they have control over who can access unpublished price sensitive information (UPSI), if information shared are time-stamped to keep a track on who is receiving it and when, and whether there is chance of anyone tampering with the records. A move is on to scrutinise whether large and actively traded companies are falling in line with the rules to curb insider trading, one of the scourges of the Indian stock market.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/nse-tracks-insider-trading-rulescompliance/articleshow/93566101.cms>

- **SEBI Settlement Scheme, 2022 (August 19, 2022)**

Pursuant to the order of the Hon'ble Securities Appellate Tribunal ("SAT") dated May 13, 2022, in the matter of illiquid stock options, SEBI has framed a Settlement Scheme ("Scheme, 2022") for the entities against whom proceedings have been initiated and are pending before any forum or authority, viz. Courts/SAT, Adjudicating Officer and Recovery Officer (provided an appeal has been filed and the same is pending before the SAT/Court). The entities may avail the Scheme, 2022 as per its terms and conditions. The terms and conditions of the Scheme, 2022 shall be available on the respective websites of SEBI and BSE on August 22, 2022. The Scheme shall commence on August 22, 2022 and end on November 21, 2022 (both days inclusive) or such other date as approved by the Competent Authority.

For details:

https://www.sebi.gov.in/media/public-notices/aug-2022/public-notice-in-respect-of-sebi-settlement-scheme-2022_62175.html

- **SEBI joins RBI's account aggregator ecosystem (August 19, 2022)**

Capital markets regulator SEBI joined the account aggregator framework, a move that will give a boost to the Reserve Bank of India-regulated financial-data sharing system. The move will allow customers to share information about their mutual fund and stock holdings with financial service providers. Under the framework, Financial Information Providers (FIPs) in the securities market, like depositories and asset management companies (AMCs) -- through their Registrar and Transfer Agents or RTAs -- will provide financial information pertaining to securities markets to the customers and consented Financial Information Users (FIUs) through any of the account aggregators registered with the Reserve Bank of India (RBI). Account aggregator or AA is an RBI-regulated nonbanking finance company (NBFC) that facilitates the collection of the financial information pertaining to a customer from financial information providers on the basis of the consent of the customer.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-joins-accountaggregator-ecosystem/articleshow/93663850.cms>

- **SEBI moves to safeguard demat accounts through block mechanism (August 19, 2022)**

Market regulator, Securities and Exchange Board of India (SEBI), has announced fresh steps to safeguard investors' demat accounts. The regulator has said that the so-called block mechanism will become mandatory for all early pay-in transactions with effect from November 14, 2022. The early pay of securities is used by traders to reduce their margin obligations. Presently, the block mechanism facility is optional. So shares sold by an investor are either transferred to brokers' pool and then sent to the clearing corporation or remain blocked in an investor's demat account and get delivered to the clearing corporation directly. Going ahead, the former option will cease to exist.

For details:

https://www.business-standard.com/article/finance/sebi-moves-to-safeguard-demataccounts-through-block-mechanism-122081901001_1.html

- **Four individuals settle with SEBI case related to Sobha Ltd, payRs 2.93 cr (August 22, 2022)**

Markets regulator SEBI has disposed of the adjudication proceedings against realty firm Sobha Ltd and four individuals following settlement in a case pertaining to alleged fraudulent trading and disclosure lapses. A settlement amount of Rs 2,92,50,000 has been paid by the four individuals.

Among others, it was alleged that Sobha Ltd had misrepresented the receivables for the construction of residence of one D K Shivakumar (DKS) and misreported service tax/GST dues of the individual in three financial years - - 2016-17, 2017-18 and 2018-19. There was also the allegation about non-disclosure of change in accounting policy for the same during the said period, according to a settlement order.

For details:

https://www.business-standard.com/article/markets/four-individuals-settle-with-sebicasere-related-to-sobha-ltd-pay-rs-2-93-cr-122082201069_1.html

- **Titan case: SEBI fines 8 individuals for breach of insider trading norms (August 25, 2022)**

Markets regulator SEBI imposed fines totalling Rs 8 lakh on eight individuals for violation of insider trading norms in the shares of Titan Company Ltd. The transactions were carried out by the designated persons/employees of Titan between April 2018 and March 2019. The order came after SEBI received a letter from Titan Company Ltd (TCL) wherein the company intimated the market watchdog about contravention of the SEBI (Prohibition of Insider Trading) Regulations and the company's code of conduct by some of its designated persons/employees. During their employment, they had transacted in the securities of the firm but failed to make disclosures to the firm under the insider trading norms.

For details:

https://www.business-standard.com/article/pti-stories/titan-case-sebi-fines-eightindividuals-for-breach-of-insider-trading-norms-122082401181_1.html

- **Portfolio managers can invest up to 30% of clients' assets in securities of 'associates': SEBI (August 26, 2022)**

Markets regulator SEBI said portfolio managers can invest a maximum of 30 per cent of clients' assets in the securities of their "associates" or related parties. This came after SEBI amended portfolio managers' rules that mandated prudential limits on investments in associates and related parties of portfolio managers, the requirement of taking prior consent of clients for such investments and restrictions based on the credit rating of securities. With regard to investment in equity and debt and hybrid securities, the regulator has fixed a limit of 15 per cent each for investment in a single associate or related party, while the same has been set at 25 per cent for investment across multiple associates or related parties.

For details:

<https://www.moneycontrol.com/news/business/portfolio-managers-can-invest-up-to-30-of-clients-assets-in-securities-of-associates-sebi-9093151.html>

- **SEBI enhances disclosure norms for rating companies (August 27, 2022)**

Capital markets regulator SEBI enhanced disclosure rules for credit rating agencies (CRAs) and put in place a framework for rating withdrawal of perpetual debt securities. The move is aimed at allowing investors and other stakeholders to properly use such disclosures in a fair assessment of CRAs. The new framework will be applicable to credit ratings of securities that are already listed or proposed to be listed on a stock exchange. In order to standardise the methodology pertaining to disclosure of a 'sharp rating action', SEBI said CRAs will have to compare two consecutive rating actions. Further, a CRA will have to disclose a sharp rating action if the rating change between two consecutive rating actions is more than or equal to three notches downward.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/enhanced-disclosure-norms-for-rating-cos/articleshow/93811561.cms>

- **SEBI overhauls preferential allotment rules for REITs, InvITs (August 29, 2022)**

SEBI overhauled the pricing norms for preferential allotment of units by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). Under the new framework, the pricing formula for allotment of units under preferential issue would be the Volume-Weighted Average Price (VWAP) of weekly highs and lows for 90 trading days or 10 trading days, whichever is higher. At present, the pricing formula in a preferential allotment is the VWAP of the last two weeks or the last 26 weeks, whichever is higher. The preferential issue of units to "institutional investors" not exceeding five will have to be made at a price not less than the 10 trading days' VWAP of the related units quoted on a stock exchange preceding the relevant date, according to two separate circulars.

For details:

<https://www.moneycontrol.com/news/business/sebi-overhauls-preferential-allotmentrules-for-reits-invits-9102121.html>

- **SEBI bans 3 individuals from markets for unauthorised investment advisory (August 31, 2022)**

Capital markets regulator SEBI has barred three individuals from the securities markets for providing unauthorised investment advisory services. The present proceedings emanate from a show cause notice dated July 31, 2021 issued by SEBI to RNS Global Capital and its proprietors' alleging that they were engaged in unauthorised investment advisory services. SEBI had come across a website which belonged to RNS Global Capital in the archived pages as the web page is not active. The amount of money to have been collected by the noticees was Rs 1.20 crore for the period October 2017 to July 2020. In its order, the regulator directed the noticees to refund within three months the money received from investors (jointly and severally) as fees in respect of their unregistered investment advisory activities.

For details:

https://www.business-standard.com/article/markets/sebibans-3-individuals-from-markets-for-unauthorisedinvestment-advisory-122083100946_1.html

- **SEBI comes out with guidelines for stock brokers providing algorithmic trading services (September 02, 2022)**

Capital markets regulator SEBI came out with guidelines for stock brokers, who provide services relating to markets to investors, to prevent instances of mis-selling. The guidelines came after the SEBI observed that certain stock brokers provide algorithmic trading facilities to investors through unregulated platforms. SEBI has given certain responsibilities to stock brokers that provide algorithmic trading facilities to investors through such platforms. Such stock brokers have been restricted from making any reference to the past or expected future return of the algorithm as well as associating with any platform that provides any reference to the past or expected future return of the algorithm.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-comes-out-with-guidelinesfor-stock-brokers-providing-algorithmic-trading-services-9124801.html>

- **SEBI gives in-principle approval to Helios Capital to start mutual fund biz (September 05, 2022)**

Helios Capital has received capital markets regulator SEBI's in-principle approval to launch a mutual fund business. Helios Capital Management PTE Limited, which is the business of portfolio management services, applied for a mutual fund license with the SEBI in February 2021. The company has joined entities like Zerodha, Samco Securities and Bajaj Finserv that received SEBI's go-ahead to launch mutual fund operations. Besides, half a dozen companies are awaiting SEBI's nod to enter into

the mutual fund space. A flurry of applications for a mutual fund license was seen after the market regulator allowed fintech firms to enter the space.

For details:

https://www.business-standard.com/article/markets/sebi-gives-in-principle-approval-tohelios-capital-to-start-mutual-fund-biz-122090501108_1.html

- **Adani open offer for additional stake in NDTV starts October 17: JM Financial (September 08, 2022)**

The Adani Group will launch its open offer for acquiring an additional 26 per cent stake in media firm New Delhi Television Ltd (NDTV) from October 17 to November 1, 2022, JM Financial, which is managing the offer, said in a draft letter of offer (DLOF). The open offer for acquiring up to 1.67 crore equity shares, for which a price of Rs 294 per share has been fixed, will amount to Rs 492.81 crore, if fully subscribed. The Adani Group, on August 23, unveiled a plan to acquire a majority stake in the news network, through the acquisition of VCPL, which holds a 99.99 per cent stake in RRPR Holding, a promoter entity of NDTV.

For details:

https://www.business-standard.com/article/companies/adani-open-offer-for-additional-stake-in-ndtv-starts-oct-17-jm-financial-122090800392_1.html

- **SEBI asks PE, VC funds to share details on startup valuation practices: Report (September 12, 2022)**

SEBI is taking a close look at how private equity houses (PE) and venture capital funds (VCF) value the startups and unicorns they bankroll. The capital market regulator has asked a large number of funds to disclose their valuation practices, any significant change in the valuation methodology in the past three years, qualification of the valuer, if the valuer hired is an associate of the fund or its manager or sponsor among other things.

For details:

<https://www.moneycontrol.com/news/business/sebi-askspe-vc-funds-to-share-details-on-startup-valuation-practicesreport-9163011.html>

- **SEBI mulls framework for market making to deepen bond markets (September 13, 2022)**

With over 98 per cent of corporate bonds being private placements, leading to a shallow secondary market, SEBI is planning to come out with a framework for market-making to help markets become more vibrant and funds cheaper, a SEBI member said. Concerted efforts by regulators and government have seen corporate bond outstanding touching Rs 40.20 lakh crore in FY22 from Rs 10.51 lakh crore in FY12, while the secondary market is about 30 per cent of this. Annual issuances during this period have increased from Rs 3.80 lakh crore to close to Rs 6 lakh crore.

For details:

https://www.business-standard.com/article/markets/sebi-mulls-farmework-for-market-making-to-deepen-bond-markets-122091301076_1.html

- **SEBI comes out with framework for social stock exchange (September 19, 2022)**

Capital markets regulator SEBI came out with a detailed framework for social stock exchange, specifying minimum requirements for a Notfor-Profit Organisation (NPO) for registering with the bourse and disclosure requirements. This came after the SEBI, in July, notified rules for Social Stock Exchange (SSE) to provide social enterprises with an additional avenue to raise funds. SSE is a novel concept in India and such a bourse is meant to serve the private and non-profit sectors by channelling

greater capital to them. The idea of SSE was first floated by Finance Minister Nirmala Sitharaman in her Budget speech for the financial year 2019-20.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebicomest-with-framework-for-social-stockexchange/articleshow/94310386.cms>

- **SEBI looks to boost surveillance of social media, other platforms through web intelligence tool (September 19, 2022)**

SEBI is looking to boost surveillance of social media and other platforms through a web intelligence tool using artificial intelligence and data analytics to probe violations of various securities laws by individuals, groups and other entities. In this regard, the capital markets regulator has invited Expression of Interest (EOI) from solution providers to implement, install and maintain a 'Web Intelligence Tool', according to a public notice.

For details:

<https://www.moneycontrol.com/news/india/sebi-looksto-boost-surveillance-of-social-media-other-platformsthrough-web-intelligence-tool-9200211.html>

- **SEBI issues framework to prevent misuse of clients' securities by brokers (September 19, 2022)]**

Capital markets regulator SEBI put in place a new framework which will prevent misuse of clients' securities and funds by their stock brokers. Under the framework, depositories need to validate the transfer instruction for pay-in of securities from client demat accounts to trading member pool accounts against obligations received from the clearing corporations. The framework, applicable from November 25, 2022 is aimed at further mitigating the risk for clients' securities, especially those given towards delivery/settlement obligations.

For details:

https://www.business-standard.com/article/markets/sebi-issues-framework-to-prevent-misuse-of-clients-securities-by-brokers-122091900909_1.html

- **Exit barriers for customers not acceptable : SEBI Chief to Fintechs (September 21, 2022)**

Securities and Exchange Board of India's (SEBI) chairperson Madhabi Puri Buch warned fintech companies not to act against the interests of investors by creating hurdles for exiting their products and making lofty claims of returns. She said fintech providers should not have a business model that builds barriers for customers to exit.

"If your business model suggests that once the customer is in, then there is no exit for them. We do not like it," said Buch at the Global Fintech Fest in Mumbai. The regulator does not want 'Abhimanyus' in the market, said Buch.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/exit-barriers-for-customersnot-acceptable-sebi-chief-to-fintechs/articleshow/94361863.cms>

- **SEBI takes measures to strengthen firewall between CRAs, non-rating entities (September 21, 2022)**

Markets regulator SEBI asked credit rating agencies (CRAs) to formulate a policy on firewall practices with the non-rating entities and document the same in their internal operational manuals. Such a policy will have to be ratified by the board of directors of the CRAs, the Securities and Exchange Board of India (SEBI) said in a circular. The policy on firewall practices would cover the nature and extent of sharing of infrastructure, employees and resources between the CRA and the non-rating entity, including specification on whether such arrangement is temporary. In order to mitigate any

conflict of interest, the policy needs to have guidance to employees on sharing of information and resources between the CRA and the non-rating entity.

For details:

<https://www.moneycontrol.com/news/business/sebi-takes-measures-to-strengthenfirewall-between-cras-non-rating-entities-9212051.html>

- **SEBI may step up disclosure requirements for IPOs of new-age companies (September 23, 2022)**

The Securities and Exchange Board of India (SEBI) is planning to step up disclosure requirements for initial public offerings (IPOs) of new-age companies. The SEBI may also bring transactions in mutual fund (MF) units under the purview of insider trading regulations, the report noted, adding that the decisions could be taken at SEBI's board meeting scheduled for September 30, 2022. SEBI is likely to mandate companies to provide a relatively detailed explanation of how they price their IPOs, compare pricing to pre-IPO share sales, and disclose all the presentations made to pre-IPO investors. The regulator may also ask companies to provide key performance indicators (KPIs) in their offer documents.

For details:

<https://www.moneycontrol.com/news/business/ipo/sebi-may-beef-up-disclosurerequirements-for-ipos-of-new-age-companies-9218961.html>

- **BSE receives SEBI's final approval to launch EGR on its platform (September 26, 2022)**

Leading stock exchange BSE said it has received the final approval from the capital markets regulator SEBI for introducing the Electronic Gold Receipt (EGR) on its platform. This comes after the BSE received in-principle approval from the Securities and Exchange Board of India (SEBI) in February, after which the exchange conducted several mock trading sessions in the test environment for its members to facilitate trading in EGRs. EGRs will cater to all market participants, which means that buyers and sellers on the exchange will include individual investors, as well as commercial participants along the value chain like importers, banks, refiners, bullion traders, jewellery manufacturers, and retailers.

For details:

<https://www.moneycontrol.com/news/business/bse-receives-sebis-finalapproval-to-launch-egr-on-its-platform-9234351.html>

- **Government commits Rs. 7,385 crore under Fund of Funds for Startup India Investment for 88 Alternative Investment Funds (AIFs); 720 startups supported by AIFs (September 26, 2022)**

Fund of Funds for Startups (FFS), launched under Startup India initiative in 2016 by the Prime Minister, Shri Narendra Modi has committed Rs. 7,385 crore to 88 Alternative Investment Funds (AIFs) as of 24th September 2022. These AIFs in turn have invested Rs. 11,206 crore in 720 startups. FFS has been playing a monumental role in mobilizing domestic capital in Indian startup ecosystem. Under FFS, support is extended to SEBI registered Alternative Investment Funds (AIFs), which in turn invest in startups.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1862374>

- **SEBI comes out with daily price limits framework for commodity futures contracts (September 27, 2022)**

Capital markets regulator SEBI came out with a new framework for daily price limit for commodity futures contracts in a bid to resolve the difference in closing price at domestic exchange and global bourse. The Daily Price Limits (DPLs) define the maximum range within which the price of a

commodity futures contract can move in one trading session. Such limits protect investors from sudden and extreme price movements and provide a cooling-off period to re-assess the information and fundamentals impacting the price of the commodity futures contract. The Indian bourses have informed that closing price on domestic exchange differs from closing price on international exchanges, after necessary currency conversion, because of a difference in methodology of calculation of closing price, the Securities and Exchange Board of India (SEBI) said in a circular.

For details:

<https://www.moneycontrol.com/news/business/sebi-comes-out-with-daily-price-limitsframework-for-commodity-futures-contracts-9240731.html>

- **SEBI rolls out framework for credit rating agencies (September 29, 2022)**

Markets regulator SEBI came out with a new framework for Credit Rating Agencies (CRAs), involving ratings of securities having explicit credit enhancement features. The new framework, applicable from January 1, 2023, is aimed at enhancing transparency and improving the rating process. Under the rule, CRAs can assign the suffix 'CE' (Credit Enhancement) to the rating of instruments having explicit credit enhancement. To enable investors to understand the extent of credit enhancement provided by a third party or parent or group company and support considerations specified by the regulator, including debt backed by a pledge of shares and a letter of comfort, SEBI said that the press release for credit ratings, with or without the CE-suffix, backed by such support considerations need to contain certain disclosures.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-rolls-outframework-for-credit-rating-agencies/articleshow/94520150.cms>

- **SEBI lays guidelines on preferential issue, institutional placement for listed REIT, InvIT (September 29, 2022)**

Capital markets regulator SEBI came out with guidelines pertaining to preferential issues and institutional placement of units by emerging investment vehicles -- REIT and InvIT. The regulator has specified the manner of issuance of units under preferential issue as well as institutional placement by listed Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (InvIT), according to two separate circulars. With regard to the issuance of units under institutional placement, SEBI said that no allotment will be made, either directly or indirectly, to any institutional investor, who is a sponsor or manager or is a person related to, or related party or associate of the sponsor or the manager.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-lays-guidelines-onpreferential-issue-institutional-placement-for-listed-reit-inv-it-9247141.html>

- **SEBI permits FPIs to participate in exchange-traded commodity derivatives market (September 29, 2022)**

Capital markets regulator SEBI allowed Foreign Portfolio Investors (FPIs) to participate in the exchange-traded commodity derivatives segment, a move that will further increase depth and liquidity in the market. The new guidelines, came after SEBI's board approved a proposal in this regard in June, will come into force with immediate effect. The regulator has already allowed institutional investors such as Category III Alternative Investment Funds (AIFs), Portfolio Management Services and Mutual Funds to participate in the Exchange Traded Currency Derivatives (ETCD) market. FPIs will be allowed to participate in cash settled non-agricultural commodity derivative contracts and indices comprising such non-agricultural commodities.

For details:

<https://www.moneycontrol.com/news/business/markets/sebi-permits-fpis-to-participate-in-exchange-traded-commodity-derivatives-market-9252591.html>

- **SEBI cautions investors against funds raised by unauthorised PMS providers (October 03, 2022)**

Capital markets regulator SEBI cautioned investors against unauthorised money mobilisation by entities claiming to provide portfolio management services. Further, the regulator noted that these entities have been luring the public, with a promise of high returns, through pamphlets and social media platforms. It was observed that in such schemes, the entities have been mobilising money in relatively smaller amounts and promising assured returns, SEBI said in a statement. The advisory comes after the Securities and Exchange Board of India (SEBI) noted that some entities are collecting money from the public claiming to provide portfolio management services (PMS).

For details:

https://www.business-standard.com/article/markets/sebi-cautions-investors-against-funds-raised-by-unauthorised-pms-providers-122100300976_1.html

- **SEBI cancels certificate of registration granted to Brickwork Ratings (October 07, 2022)**

The Securities and Exchange Board of India (SEBI) cancelled the recognition certificate granted to Brickwork Ratings India, one of the seven registered credit rating agencies (CRAs) in the country, for “repeated lapses” and irregularities in “discharging its duties”. The SEBI directed Brickwork to wind down its operations within six months and intimate its clients about the same. During this period, Brickwork cannot onboard any new clients or take fresh mandates. Officials of ratings agencies said the cancellation of Brickwork’s licence could have ramifications for the banking industry.

For details:

https://www.businessstandard.com/article/markets/sebi-cancels-certificate-of-registration-granted-to-brickwork-ratings-122100600957_1.html

- **SEBI’s new rule on settling unused funds reveals funds mismatch (October 09, 2022)**

A new rule in India’s stock markets, where brokers are supposed to transfer unused funds back to the client accounts at least once each quarter, has revealed a big mismatch of funds. The accounts settlement process as mandated by market regulator SEBI kicked in on October 7, 2022, the first Friday of the current quarter. During the exercise, it was revealed that while brokers withdrew anywhere between ₹16,500 crore and ₹20,000 crore from the clearing corporation (CCs) of stock exchanges, the actual amount they returned to the clients stood somewhere around ₹25,000-30,000 crore. The mismatch has led to doubts that some large brokers were not depositing entire client money with CCs and preserving part of it as liquid float.

For details:

<https://www.thehindubusinessline.com/news/sebis-new-rule-on-settling-unused-funds-reveals->

- **SEBI issues guidelines for credit rating agencies (October 14, 2022)**

The Securities and Exchange Board of India (SEBI) came out with guidelines to facilitate orderly migration of credit ratings of debt securities following cancellation of licence of a credit rating agency. The move comes in the wake of cancellation of licence of Brickwork Ratings India. Last week, SEBI had directed Brickwork Ratings to wind down its operations within six months and also barred it from adding new clients from the date of the order. The punitive regulatory action came after the regulator observed the credit rating agency failed to follow proper rating process and exercise due diligence while providing ratings.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-issues-guidelines-for-credit-rating-agencies/articleshow/94847304.cms>

- **SEBI rolls out framework for governing council of social stock exchange (October 13, 2022)**

Markets regulator SEBI came out with a framework for the governing council of social stock exchange, which will have an oversight on the functioning of the bourse. The governing council is expected to provide guidance to facilitate the smooth functioning of the operations of the Social Stock Exchange (SSE) with regard to registration, fundraising and disclosures by social enterprises. The stock exchange will have to constitute a governing council for the social stock exchange prior to seeking final approval from SEBI for the introduction of such a bourse as a separate segment.

For details:

https://www.business-standard.com/article/markets/sebi-rolls-out-framework-for-governing-council-of-social-stock-exchange-122101301207_1.html

- **SEBI tweaks process for private placement of debt (October 11, 2022)**

Securities and Exchange Board of India (SEBI) modified the book building process for private placement of debt to address the concern of 'fastest finger first'. SEBI said it received representation from various market participants, requesting review of provisions related to the electronic bidding platform (EBP), in order to address the issues of 'fastest finger first', that is, allotment based on time priority in bidding for issuances with fixed parameters, certain bidders not getting allocations despite having worked on issuance pre-listing, high ratio of greenshoe to base issue size and limits on arrangers placing bids on behalf of clients.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-tweaks-process-for-private-placement-of-debt/articleshow/94772656.cms>

SEBI Consultation Paper

- **Consultation Paper on Green and Blue Bonds as a mode of Sustainable Finance (August 04, 2022)**

SEBI has placed a consultation paper for public comments on Green and Blue Bonds as a mode of Sustainable Finance. Since the framework of green debt securities was laid down by SEBI, there have been multiple events in the sustainable finance space around the world, thereby necessitating a review in the Indian context. In this context, SEBI, through this consultation paper, is seeking public comments on a proposed regulatory framework: a. to amplify the definition of green debt securities, b. to introduce the concept of blue bonds c. to reduce the compliance cost for issuers of green debt securities with while not creating any perverse incentives that may lead to 'greenwashing'. The public comments may be sent not later than August 31, 2022 in the prescribed format.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/aug-2022/consultation-paper-on-green-and-blue-bonds-as-a-mode-of-sustainable-finance_61636.html

SEBI Press Release

- **Modalities related to Investment Adviser applications (September 26, 2022)**

SEBI, vide circular ref. 2021/579 dated June 18, 2021, granted recognition to BSE Administration and Supervision Ltd. (BASL), a wholly owned subsidiary of BSE to act as an Investment Adviser Administration and Supervisory Body (IAASB) for a period of three years from June 01, 2021 in terms of Regulation 14 of SEBI (Investment Advisers) Regulations, 2013 (SEBI IA Regulations). As per the provisions of Regulation 14(2) of SEBI IA Regulations, the administration and supervision of Investment Advisers (IAs) has been delegated to BASL. In view of the above, it is provided that all the new IA applicants as well as existing IAs are advised to approach BSE Administration and Supervision Limited (BASL) for registration and post registration activities related to Investment Advisers. Further, new IA applicants as well as existing IAs may refer to BASL circular no. 20220718-1 dated July 18, 2022 regarding Revised Process for seeking Membership from BASL and Registration from SEBI.

For details:

https://www.sebi.gov.in/media/press-releases/sep-2022/modalities-related-to-investment-adviser-applications_63385.html

Insolvency and Bankruptcy

Info Capsule Series 13

Power to admit insolvency application not binding even when debt owed: SC (July 14, 2022)

In a breather to defaulting companies, the Supreme Court held that the provision to admit an application starting the insolvency process is not binding even when a debt is owed.

The appeal was filed by Vidarbha Industries, which is a power generating company, against the order of the National Company Law Appellate Tribunal (NCLAT). NCLAT had refused to stay the insolvency proceedings started by Axis Bank against the company.

A Bench comprising Justices Indira Banerjee and JK Maheshwari said the adjudicating authority (NCLT) failed to appreciate that the question of time-bound initiation and completion of corporate insolvency resolution process (CIRP) could only arise if the companies were bankrupt or insolvent and not otherwise.

Moreover, the timeline starts ticking only from the date of admission of the application for initiation of CIRP and not from the date of filing it.

“Appellate tribunal (NCLAT) also fell in error in holding that once it was found that a debt existed and a corporate debtor was in default in payment of the debt, there would be no option to the adjudicating authority (NCLT) but to admit the petition under Section 7 of the IBC,” the bench said.

For details:

https://www.business-standard.com/article/economy-policy/power-to-admit-insolvency-application-not-binding-even-when-debt-owed-sc-122071301504_1.html

Revision of fees applicable for Limited Insolvency Examination and Valuation Examinations (August 31, 2022)

Insolvency and Bankruptcy Board of India (IBBI), as the designated Authority, conducts the Limited Insolvency Examination (LIE) in pursuance to regulation 3 of the IBBI (Insolvency Professionals) Regulations, 2016 and the Valuation Examinations in three assets class, in pursuance to Rule 5 of the Companies (Registered Valuers and Valuation) Rules, 2017. The said rule inter-alia empowers IBBI to determine the syllabus, format and frequency of the examination, to test candidate’s professional knowledge, skills, values and ethics in respect of insolvency, bankruptcy and valuation. Presently,

the examination fee of Rs. 1,500+ applicable GST, i.e. Rs.1,770 is payable per enrolment for each of these exams. It has been decided that the fee of Rs. 5,000+ applicable GST, i.e. Rs. 5,900 for the LIE or Valuation Examinations shall be payable for each enrolment on or after October 01, 2022.

For details:

<https://ibbi.gov.in/uploads/whatsnew/7276801f262f3523dae0d0c838fcc1eb.pdf>

NCLAT sets aside insolvency proceedings against Mack Star Marketing (September 09, 2022)

Appellate Tribunal NCLAT has set aside insolvency proceedings against Mack Star Marketing initiated by the NCLT Mumbai after observing that the term-loan provided by Yes Bank to it was an "eye-wash" and "collusive in nature". A two-member bench held such collusive transactions do not fall within the ambit of the definition of Financial Debt as defined under Section 5(8) of the Insolvency & Bankruptcy Code and therefore Suraksha Asset Reconstruction cannot be termed as a Financial Creditor.

The NCLAT observed that out of Rs 147.6 crore -- sanctioned by Yes Bank in Mack Star's name for the purpose of renovating 'Kaledonia' a two-year-old building constructed at a cost of Rs 100 crore -- more than 99 per cent of the amount was routed back to Yes Bank either on the same day or within a very short period. "The chequered history of the loan transactions and collusive arrangements indulged by Yes Bank demonstrates that the Term Loans disbursed in the name of Mack Star is an eye-wash' and Yes Bank has disbursed these loans with an ulterior motive," said the National Company Law Appellate Tribunal (NCLAT).

It also set aside the orders of the Mumbai bench of the National Company Law Tribunal (NCLT), which had on October 27, 2021, directed to initiate insolvency proceedings against Mack Star Marketing over a petition from Suraksha Asset Reconstruction, the assignee of the loans given by Yes Bank.

For details:

https://www.business-standard.com/article/pti-stories/nclat-sets-aside-insolvencyproceedings-against-mack-star-122090801002_1.html

IBBI Circular-Details of matters pending with Supreme Court of India and various High Courts (September 13, 2022)

Of late, it has been observed that in a few matters Hon'ble Supreme Court and several High Courts have considered and delivered judgements wherein stand of Union of India (MCA) or IBBI remained unrepresented since both these institutions were not a party in the concerned proceedings. This matter is of great concern as in some of such cases scheme of the Code was in question which required to defended earnestly. While we are trying to retrieve the situation through further legal recourse, our apprehension is that there could be many more such important matters pending or might arise in future.

Insolvency Professionals are advised to inform IBBI without any delay about any important issues relating to vires, interpretation and applicability of the provisions of the Code, Rules and Regulations made thereunder are being contested before the High Courts and the Supreme Court of India, in respect of any assignment handled by them as on date. Further, the information as above shall be submitted by Insolvency Professionals as and when any such case is filed before Supreme Court and High Courts. For pending cases, the case papers with issues involved in brief shall be forwarded to IBBI at the email legal.proceeding@ibbi.gov.in by September, 2022 and for any future case promptly when the case comes to notice/ knowledge of the Insolvency Professional.

For details: <https://ibbi.gov.in/uploads/legalframework/017e888faf88f38d3f7caa2aabc7efed.pdf>

The Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2022 (September 13, 2022)

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated September 13, 2022 has notified “the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment Clause 26A has been inserted in the first schedule of the regulations stating that, “an insolvency professional shall not accept /share any fees or charges from any professional and/or support service provider who are appointed under the processes”.

For details:

<https://ibbi.gov.in/uploads/legalframework/8a614479d5c2b8eacb205e226f5e841a.pdf>

The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2022 (September 13, 2022)

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated September 13, 2022 has notified “the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2022” which shall come into force on the date of its publication in the Official Gazette. According to the amendment Regulation 34B has been inserted in the principle regulations stating the provisions pertaining to fee to be paid to interim resolution professional and resolution professional. Further, Schedule II has been inserted defining the minimum fixed fee, period for minimum fixed fee, performance-linked incentive fee for timely resolution and performance-linked incentive fee for value maximization etc.

For details:

<https://ibbi.gov.in/uploads/legalframework/7c96f51884d5ad840f4a7af0d6bba604.pdf>

Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2016 (September 17, 2022)

The Insolvency and Bankruptcy Board of India (IBBI/Board) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons)(Fourth Amendment) Regulations, 2016 (CIRP Regulations) on 16th September, 2022.

With the objective to maximise value in resolution, the amendment enables the resolution professional (RP) and the Committee of creditors (CoC) to issue request for resolution plan a second time for sale of one or more of assets of the corporate debtor (CD) in cases where no resolution plan has been received for the corporate debtor as a whole. It enables for a resolution plan to include sale of one or more assets of CD to one or more successful resolution applicants submitting resolution plans for such assets and providing for appropriate treatment of the remaining assets.

Further to improve the value received in the resolution plan, the amendment enables marketing of assets of the CD. It provides for formulating a strategy for marketing of assets of CD in consultation with the CoC to disseminate information about the asset to a wider and targeted audience of potential resolution applicants. The amendment also enables a longer time for the asset in the market as the invitation for expression of interest in Form G has been advanced to 60th day from insolvency commencement date (ICD). Changes have also been made to Form G to provide more relevant information to persons for expressing interest.

For details: <https://ibbi.gov.in/uploads/press/5789c46394f1eb1211858f1dadcdb362.pdf>

Insolvency and Bankruptcy Board of India amends the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017(September 20, 2022)

The Insolvency and Bankruptcy Board of India notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2022 on 16th September, 2022. To enable better participation of stakeholders and streamline the liquidation process to reduce delays and realise better value, the amendment in Liquidation Regulations make the following major modifications:

- The Committee of Creditors (CoC) constituted during Corporate Insolvency Resolution Process (CIRP) shall function as Stakeholders Consultation Committee (SCC) in the first 60 days. After adjudication of claims and within 60 days of initiation of process, the SCC shall be reconstituted based upon admitted claims.
- The liquidator has been mandated to conduct the meetings of SCC in a structured and time bound manner with better participation of stakeholders.
- The scope of mandatory consultation by liquidator, with SCC has been enlarged. Now, SCC may even propose replacement of liquidator to the Adjudicating Authority (AA) and fix the fees of liquidator, if the CoC did not fix the same during CIRP.

For details:

<https://ibbi.gov.in/uploads/press/03d27e5e5dc4803aeda40f44e0050152.pdf>

The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2022 (September 20, 2022)

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated September 20, 2022 has notified “the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2022” which shall come into force with effect from October 01, 2022. According to the amendment regulation 31A has been inserted stating the provisions pertaining to regulatory fees as under: A regulatory fee calculated at the rate of 0.25 per cent of the realisable value to creditors under the resolution plan approved under section 31, shall be payable to the Board, where such realisable value is more than the liquidation value: Provided that this sub-regulation shall be applicable where resolution plan is approved under section 31, on or after 1st October 2022.

For details:

<https://ibbi.gov.in/uploads/legalframework/7540b8435110194d0d71f4e1c98e965a.pdf>

NCLT directs to initiate insolvency proceedings against realty firm Ajnara (September 21, 2022)

The National Company Law Tribunal (NCLT) has directed to initiate insolvency proceedings against Ajnara Ltd and appointed an interim resolution professional for the NCR-based real estate developer. A two-member New Delhi-based bench held the insolvency petition filed on behalf of 113 allottees of Ajnara Ambrosia as maintainable and as per the builder-buyer agreement, it was bound to give possession within three years of booking.

"The corporate debtor has defaulted in handing over the units to the respective home buyers/allottees as per the terms of the builder-buyers agreement," said NCLT. The NCLT bench said its a "fit case" for admission of insolvency petition against Ajnara. "In the given facts and

circumstances, the present Application being complete and the applicants/Financial Creditors having established the default on the part of the Corporate debtor in payment of the financial debt being committed above the threshold limit, the present Application is admitted," it said.

For details:

https://www.business-standard.com/article/companies/nclt-directs-to-initiate-insolvencyproceedings-against-realty-firm-ajnara-122092101225_1.html

Two firms can face IBC proceedings if both are corporate debtors: SC (September 22, 2022)

The Supreme Court on Thursday said if two corporate bodies fall within the ambit of corporate debtors, there is no reason why insolvency proceedings cannot be initiated against both under the IBC. Section 7 of the Insolvency and Bankruptcy Code (IBC) deals with the initiation of the corporate insolvency resolution process by financial creditors. The apex court also observed that approval of a resolution in respect of one borrower cannot "certainly discharge" a co-borrower. A bench of Justices Indira Banerjee and J K Maheshwari delivered its verdict on a plea against the August last year judgement of the National Company Law Appellate Tribunal (NCLAT) which had dismissed an appeal against an order of the adjudicating authority, the National Company Law Tribunal (NCLT), Mumbai. The NCLT had in its February last year order admitted a petition for initiation of Corporate Insolvency Resolution Process (CIRP) against a firm for the same set of loans arising out of the same loan documents, in respect of which the financial creditor had initiated CIRP against another company.

For details:

https://www.business-standard.com/article/companies/two-firms-can-face-ibcproceedings-if-both-are-corporate-debtors-sc-122092201075_1.html

NCLAT dismisses Siemens' plea against encashment of its guarantee in MEL (September 25, 2022)

The National Company Law Appellate Tribunal (NCLAT) has dismissed an appeal by Siemens Ltd against the invocation of its bank guarantees by Meenakshi Energy. Meenakshi Energy Ltd (MEL) which is presently facing insolvency proceedings, was setting up a 700 MW thermal plant, in which Siemens was a sub-contractor for the project.

The appellate tribunal has upheld the earlier order of the Hyderabad bench of the National Company Law Tribunal (NCLT) in this regard and noted the bank guarantees were invoked by MEL on the ground that Siemens failed to perform its obligations in terms of the agreements.

"... Also keeping in view that we do not find any material on record with respect to any fraud, we do not find any illegality or infirmity in the order of the Impugned Order (of NCLT)," said a two-member NCLAT bench.

The Resolution Professional of MEL had sought permission for the release of Rs 2.50 crore and permitted it to be utilised against the overall outstanding amount of Rs 13.06 crore to ensure MEL's plant is kept running. On this NCLAT said, "Having regard to all the aforementioned reasons, we hold that the amount may be utilised for the functioning of the Corporate Debtor' (MEL) as a Going Concern."

For details:

https://www.business-standard.com/article/companies/nclat-dismisses-siemens-plea-againstencashment-of-its-guarantee-in-mel-122092500388_1.html

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Fourth Amendment) Regulations, 2022 (September 29, 2022)

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Fourth Amendment) Regulations, 2022 inter alia provides that:

- An insolvency professional entity eligible for registration as an insolvency professional, may make an application to the Board in Form AA of Second Schedule along with a non-refundable application fee of two lakh rupees.
- In case an insolvency professional entity ^{is} an insolvency professional, it shall allow only a partner or director, as the case may be, who is an insolvency professional and holds a valid authorisation for assignment to sign and act on behalf of it.
- In case the insolvency professional entity is enrolled with an insolvency professional agency, the intimation shall also be made to such insolvency professional agency to update its register of professional members.

For details:

<https://ibbi.gov.in/uploads/legalframework/0aade43c842d51184839bd7cbca06f35.pdf>

IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2022 (October 03, 2022)

The Insolvency and Bankruptcy Board of India (IBBI) vide its notification dated October 03, 2022 has notified the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2022. The amendment inter-alia covers that no insolvency professional entity, recognised by the Board under regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, shall be enrolled as a professional member if it is not eligible to be registered as an insolvency professional with the Board.

For details:

<https://ibbi.gov.in/uploads/legalframework/fe64020d75bf890e8128d1a4224b0acc.pdf>

Direct Tax

Info Capsule Series 13

Income-tax (Twenty Second Amendment) Rules, 2022 (Notification No. 83 Dated July 12, 2022)

The Central Board of Direct Taxes (CBDT) has issued the Income-tax (Twenty Second Amendment) Rules, 2022 to further amend the Income-tax Rules, 1962 as follow:

Rule 16 which specifies “Declaration under Section 158A” has been renumbered to Rule 15A.

New Rule 16 which specifies “Application under section 158AB to defer filing of appeal before the Appellate Tribunal or the jurisdictional High Court” has been inserted namely: - “The application referred to in sub-section (2) of section 158AB, required to be made before the Appellate Tribunal or the jurisdictional High Court, as the case may be, shall be made in Form No. 8A by the Assessing Officer” In Appendix II a new Form 8A has been inserted

For details: <https://egazette.nic.in/WriteReadData/2022/237264.pdf>

CBDT issues procedure of PAN application & allotment for incorporating LLPs electronically (Notification No. 4 Dated July 26, 2022)

The Central Board of Direct Taxes (CBDT) has issued procedure of PAN application & allotment through Simplified Proforma for incorporating Limited Liability Partnerships (LLPs) electronically (Form: FiLLiP) of Ministry of Corporate Affairs. The following classes of person, forms, formats and procedure for PAN has been laid down namely:

- Classes of persons to which FiLLiP form will apply - Newly incorporated Limited Liability Partnership (LLP)
- Applicable form - Simplified Proforma for incorporating Limited Liability Partnerships (Form: FiLLiP) of Ministry of Corporate Affairs (MCA) notified vide notification G.S.R. 173(E), dated March 4, 2022
- Procedure - Application for allotment of Permanent Account Number (PAN) will be filed in FiLLiP form using Digital Signature of the applicant as specified by the Ministry of Corporate Affairs. After generation of Limited Liability Partnership Identification Number (LLPIN), MCA will forward the data in form 49A to the Income-tax Authority under its Digital signature, Class 2/Class 3 of MCA
- Format - Xml

For details:

<https://incometaxindia.gov.in/communications/notification/notification-4-dated-26-7-2022.pdf>

Reduction of time limit for verification of Income Tax Return (ITR) from within 120 days to 30 days of transmitting the data of ITR electronically

It has been decided that in respect of any electronic transmission of return data on or after the date this Notification comes into effect, the time-limit for e-verification or submission of ITR-V shall now be 30 days from the date of transmitting/uploading the data of return of income electronically. Further, It is clarified that where the return data is electronically transmitted before the date on which this Notification comes into effect, the earlier time limit of 120 days continue to apply in respect of such returns.

For details:

<https://www.incometax.gov.in/iec/foportal/sites/default/files/2022-08/Click%20Here.pdf>

Income tax 23rd Amendment Rules 2022 (Notification No. 87 Dated August 01, 2022)

The Central Board of Direct taxes makes the Income tax 23rd Amendment Rules 2022 further to amend the Income-tax Rules, 1962 as follows:

in rule 21AK, -(A) in sub-rule (1)

a) in the opening paragraph, after the words “non-deliverable forward contracts”, the words “or offshore derivative instruments or over-the-counter derivatives,” shall be inserted;

b) in clause (i), after the words “non-deliverable forward contract”, the words “or offshore derivative instrument or over-the-counter derivative” shall be inserted;

c) in clause (ii), after the word “contract”, the words “, instrument or derivative” shall be inserted;

For details:

<https://egazette.nic.in/WriteReadData/2022/237795.pdf>

Income-tax (25th Amendment) Rules, 2022 (August 17, 2022)

The Central Board of Direct Taxes makes the Income-tax (25th Amendment) Rules, 2022 further to amend the Income tax Rules, 1962 as per which for rule 17, the following rule shall be substituted: “17. Exercise of option etc. under Explanation 3 to the third proviso to clause (23C) of section 10 or section 11- The option to be exercised in accordance with the provisions of the Explanation to sub-section (1) of section 11 of the Act in respect of income of any previous year relevant to the assessment year beginning on or after the 1st day of April, 2016 shall be in Form No. 9A and shall be furnished before the expiry of the time allowed under section 139(1) of the Income tax Act, 1961 for furnishing the return of income of the relevant assessment year.

For details:

<https://egazette.nic.in/WriteReadData/2022/238126.pdf>

Income-tax (Twenty Eighth Amendment) Rules, 2022 (August 22, 2022)

The Central Board of Direct Taxes makes the Income-tax (Twenty Eighth Amendment) Rules, 2022 to further to amend the Income-tax Rules, 1962 as per which, In rule 17CB,

- (i) for the words “trust or institution” wherever they occur, the words “specified person” shall be substituted;
- (ii) in Explanation, after clause (h), clause (ha) shall be inserted, namely: “specified person” shall have the same meaning as assigned to it in clause (iia) of the Explanation to section 115TD;’.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-no-101-2022.pdf>

Notification No. 102 (August 22, 2022)

The Central Government, in consultation with the Chief Justice of the High Court of Chhattisgarh, designates all the Chief Judicial Magistrate Courts of the State of Chhattisgarh as Special Courts for the purposes of section 280A of the Income-tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, for the areas falling within the respective territorial jurisdictions of the Chief Judicial Magistrate Courts in the State of Chhattisgarh.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-no-102-2022.pdf>

Notification No. 114 (October 13, 2022)

The Central Government specifies to include the pension fund, namely, 2589555 Ontario Limited (PAN: AABCZ1393D), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (iv) of clause (c) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 in respect of the eligible investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as the “the said investments”) subject to the fulfillment of the certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-114-2022.pdf>

Notification No. 115 (October 14, 2022)

The Central Government specifies to include the sovereign wealth fund, namely, Norges Bank On Account Of The Government Pension Fund Global (PAN: AACCN1454E), (hereinafter referred to as “the assessee”) as the specified person for the purposes of the sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as “the said investments”) subject to the fulfilment of the certain conditions.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-115-2022.pdf>

Indirect Tax

Info Capsule Series 13

Goods and Services Tax

Fly ash bricks to attract concessional rate irrespective of fly ash content (Notification No. 15/2022 and Notification No. 16/2022- Central Tax dated July 13, 2022)

CBIC has issued amendments in its earlier Notifications related to fly ash bricks. The condition of 90% fly ash content with respect to fly ash bricks applies only to fly ash aggregate, and not fly ash bricks. This notification shall come into force on the July 18, 2022.

For details:

https://www.cbic.gov.in/resources/htdocs-cbec/gst/15_2022_CT_Eng.pdf

https://www.cbic.gov.in/resources/htdocs-cbec/gst/16_2022_CT_Eng.pdf

Prices of curd and lassi to go up as GST exemptions end (July 14, 2022)

The prices of curd, lassi and buttermilk are expected to rise as a result of the GST council's decision to eliminate the GST exemptions on repackaged, relabelled, and packaged buttermilk, curd, and lassi.

For details:

<https://economictimes.indiatimes.com/industry/cons-products/food/prices-of-curd-andlassi-to-hike-as-gst-exemptions-end/articleshow/92867909.cms>

FAQs on GST applicability on 'pre-packaged and labelled' goods (July 18, 2022)

The changes relating to GST rate, in pursuance of recommendations made by the GST Council in its 47th meeting, came into effect from July 18, 2022. One such change is moving from imposition of GST on specified goods when bearing a registered brand or brand in respect of which an actionable claim or enforceable right in a court of law is available to imposition of GST on such goods when "pre-packaged and labelled".

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1842250>

Implementation of mandatory mentioning of HSN codes in GSTR-1 (July 20, 2022)

Vide Notification No. 78/2020 - Central Tax dated October 15, 2020, it is mandatory for the taxpayers to report minimum 4 digits or 6 digits of HSN Code in Table-12 of GSTR-1 on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal.

For details:

<https://www.gst.gov.in/newsandupdates/read/548>

Introducing new Table 3.1.1 in GSTR-3B for reporting supplies u/s 9(5) (July 20, 2022)

According to section 9(5) of CGST Act, 2017, Electronic Commerce Operator (ECO) is required to pay tax on supply of certain services notified by the government such as Passenger Transport Service, Accommodation services, Housekeeping Services & Restaurant Services, if such services are supplied through ECO. For reporting of such supplies a new Table 3.1.1 is being added in GSTR-3B as per Notification No. 14/2022 - Central Tax dated July 05, 2022 wherein both ECOs and registered persons can report their supplies made under section 9(5) respectively.

For details: <https://www.gst.gov.in/newsandupdates/read/549>

GST: Understanding how the rules around tax on rent will apply to tenants (July 21, 2022)

Under the new Goods and Services Tax (GST) rules, which came into effect on July 18, 2022, a tax of 18 per cent is now applicable to residential property rent. The tax will be charged according to the Reverse Charge Mechanism (RCM), where the tenant will be liable to pay the GST. However, it must be clarified that the salaried individuals, who have taken home on rent or lease, will not be required to pay any such tax. The new rule only applies if the person/ company has completed the GST registration.

For details:

https://www.business-standard.com/article/economy-policy/gst-understanding-how-the-rules-around-tax-on-rent-will-apply-to-tenants-122072100921_1.html

Advisory on Upcoming Changes in GSTR-3B (July 22, 2022)

The Government vide Notification No. 14/2022 - Central Tax dated July 05, 2022 has notified few changes in Table 4 of Form GSTR-3B requiring taxpayers to report information on ITC correctly availed, reversal thereof and declaring ineligible ITC in Table 4 of GSTR3B.

For details:

<https://www.gst.gov.in/newsandupdates/read/550>

SC allows taxpayers to claim pre-GST accumulated ITC in a 60-day window (July 22, 2022)

In a landmark decision that could free up hundreds of crores of rupees in Input Tax Credit (ITC), the Supreme Court on July 22, 2022 allowed all affected taxpayers to claim accumulated ITC accrued in the pre-GST indirect tax regime in 60 days ending October 30. GST Network portal to provide facility for all assesses to claim transitional credit from September 1 till October 30, the SC said disposes off batch of 400 appeals. All such assesses, which analysts said may be in thousands, can claim the benefit whether they have filed Writ petition or not.

For details:

<https://www.financialexpress.com/economy/sc-allowstaxpayers-to-claim-pre-gst-accumulated-itc-in-a-60-daywindow/2602630/>

GST Revenue collection for July second highest ever & 28% higher than the revenues in the same month last year (August 01, 2022)

The gross GST revenue collected in the month of July 2022 is ₹1,48,995 crore of which CGST is ₹25,751 crore, SGST is ₹32,807 crore, IGST is ₹79,518 crore (including ₹41,420 crore collected on import of goods) and cess is ₹10,920 crore (including ₹995 crore collected on import of goods). This is second highest revenue since introduction of GST. The government has settled ₹32,365 crore to CGST and ₹26,774 crore to SGST from IGST. The total revenue of Centre and the States in the month of July 2022 after regular settlement is ₹58,116 crore for CGST and ₹59,581 crore for the SGST.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1846881>

Notification issued by CBIC to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 10 Crores from October 01, 2022 (Notification No. 17/2022 - Central Tax dated August 01, 2022)

CBIC has issued notification to reduce e-Invoicing limit to Rs. 10 crores from existing limit of Rs. 20 crores w.e.f. October 01, 2022.

For details:

https://www.cbic.gov.in/resources//htdocsctbec/gst/17_2022_CT_Eng.pdf;jsessionid=667BDF11AC98A22BE95E1FBC7F1E74EE

Introducing Single Click Nil Filing of GSTR-1 (August 02, 2022)

Single click Nil filing of GSTR-1 has been introduced on the GSTN portal to improve the user experience and performance of GSTR-1/IFF filing. Taxpayers can now file NIL GSTR1 return by simply ticking the checkbox File NIL GSTR-1 available at GSTR-1 dashboard.

For details: <https://www.gst.gov.in/newsandupdates/read/551>

No GST on chequebooks for customers, only on bank buying from printer: FM (August 02, 2022)

Finance Minister Nirmala Sitharaman on August 02, 2022 said there is no GST on chequebooks for bank customers, as she tried to clear "misinformation" over issues related to the imposition of the levy on various products and services. Also, there is no GST on crematorium, funeral, burial, or mortuary services, the minister said and explained the Goods and Service Tax has been levied on the construction of new crematoriums.

For details:

https://www.business-standard.com/article/economy-policy/no-gst-on-chequebooks-forcustomers-only-on-bank-buying-from-printer-fm122080201708_1.html#:~:text=Finance%20Minister%20Nirmala%20Sitharaman%20on,o n%20various%20products%20and%20services.

No GST on Perks to Employees, Clarifies Government Tax Body (August 03, 2022)

Perks given by employers to employees are not subjected to the Goods and Services Tax (GST), the Board of Central Excise and Customs (CBIC) has clarified. According to a recent circular, services by an employee to the employer during employment will not be considered a supply of goods or services.

For details:

<https://www.ndtv.com/business/employees-won-t-have-to-pay-gst-on-perks-says-taxbody-3139562>

Clarifications regarding applicable GST rates & exemptions on certain services (Circular No. 177/09/2022 - Central Tax dated August 03, 2022)

It has been represented that ice cream parlors which paid GST @ 5% without ITC in view of prevailing doubt before the issuance of the Circular dated 6.10.2021 did not avail ITC and paid 5% in cash. Such ice-cream parlors have thus foregone significant ITC benefit. Considering the overall circumstances of the case, it is clarified that past cases of payment of GST on supply of ice-cream by ice-cream parlors @ 5% without ITC shall be treated as fully GST paid to avoid unnecessary litigation. Since the decision is only to regularize the past practice, no refund of GST shall be allowed, if already paid at 18%. With effect from 6.10.2021, the ice Cream parlors are required to pay GST on supply of ice-cream at the rate of 18% with ITC.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1003114/ENG/Circulars>

GST applicability on liquidated damages, compensation and penalty arising out of breach of contract or other provisions of law (Circular No. 178/10/2022 - Central Tax dated August 03, 2022)

Liquidated damages cannot be said to be a consideration received for tolerating the breach or non-performance of contract. In this background a reasonable view that can be taken with regard to taxability of liquidated damages is that where the amount paid as 'liquidated damages' is an amount paid only to compensate for injury, loss or damage suffered by the aggrieved party due to breach of the contract and there is no agreement, express or implied, by the aggrieved party receiving the liquidated damages, to refrain from or tolerate an act or to do anything for the party paying the liquidated damages, in such cases liquidated damages are mere a flow of money from the party who causes breach of the contract to the party who suffers loss or damage due to such breach. Such payments do not constitute consideration for a supply and are not taxable.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1003115/ENG/Circulars>

Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 47th meeting held on 28th - 29th June, 2022 at Chandigarh (Circular No. 179/11/2022 - Central Tax dated August 03, 2022)

Electrically operated vehicle including three wheeled electric vehicle means vehicle that runs solely on electrical energy derived from an external source or from electrical batteries. Therefore, the fitting of batteries cannot be considered as a concomitant factor for defining a vehicle as an electrically operated electric vehicle. In view of the above, it is clarified that electrically operated vehicle is to be classified under HSN 8703 even if the battery is not fitted to such vehicle at the time of supply and thereby attract GST at the rate of 5% in terms of entry 242A of Schedule I of notification No. 1/2017-Central Tax (Rate).

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1003116/ENG/Circulars>

GST to be levied on cancellation of confirmed train ticket: Finance Ministry (August 29, 2022)

The GST will be calculated on cancellation charges for the class of travel under which the journey was to be undertaken, the Ministry said, adding that the rate will be the same as applicable for while booking tickets for that class. For cancelling bookings of a particular class, the GST rate will be the same as that applicable while booking seats/berths for that class, it added. For example, the rate is 5% for first-class or AC coaches, while cancellation fee for this category is ₹240 (per passenger). Therefore, the total cancellation cost will be ₹252 (₹12 tax+ ₹240) for first-class/AC compartments. However, there is no GST on other categories, including second sleeper class.

For details:

<https://www.hindustantimes.com/business/cancelling-confirmed-train-ticket-will-nowinvite-gst-finance-ministry-101661743087792.html>

₹ 1,43,612 crore gross GST revenue collected in the month of August 2022 (September 01, 2022)

The gross GST revenue collected in the month of August 2022 is ₹ 1,43,612 crore of which CGST is ₹ 24,710 crore, SGST is ₹ 30,951 crore, IGST is ₹ 77,782 crore (including ₹ 42,067 crore collected on import of goods) and cess is ₹ 10,168 crore (including ₹ 1,018 crore collected on import of goods). The government has settled ₹ 29,524 crore to CGST and ₹ 25,119 crore to SGST from IGST. The total revenue of Centre and the States in the month of August 2022 after regular settlement is ₹ 54,234 crore for CGST and ₹ 56,070 crore for the SGST. The revenues for the month of August 2022 are 28% higher than the GST revenues in the same month last year of ₹ 1,12,020 crore. During the month, revenues from import of goods was 57% higher and the revenues from domestic transaction (including import of services) are 19% higher than the revenues from these sources during the same month last year.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1855967>

Guidelines for launching of prosecution under the Central Goods & Services Tax Act, 2017 (Instruction No. 04/2022-23 GST Investigation dated September 01, 2022)

Prosecution should normally be launched where amount of tax evasion, or misuse of ITC, or fraudulently obtained refund in relation to offences specified under sub-section (1) of section 132 of the CGST Act, 2017 is more than Five Hundred Lakh rupees. However, in following cases, the said monetary limit shall not be applicable:

- i. *Habitual evaders* : Prosecution can be launched in the case of a company/taxpayer habitually involved in tax evasion or misusing Input Tax Credit (ITC) facility or fraudulently obtained refund. A company/taxpayer would be treated as habitual evader, if it has been involved in two or more cases of confirmed demand (at the first adjudication level or above) of tax evasion/fraudulent refund or misuse of ITC involving fraud, suppression of facts etc. in past two years such that the total tax evaded and/or total ITC misused and/or fraudulently obtained refund exceeds Five Hundred Lakh rupees. DIGIT database may be used to identify such habitual evaders.
- ii. *Arrest Cases* : Cases where during the course of investigation, arrests have been made under section 69 of the CGST Act.

For details:

<https://taxinformation.cbic.gov.in/viewpdf/1000439/ENG/Instructions>

Changes in Table 4 of GSTR 3B - Reporting of ITC availment, reversal and Ineligible ITC (September 02, 2022)

The Government vide Notification No. 14/2022 - Central Tax dated July 05, 2022 has notified few changes in Table 4 of Form GSTR-3B for enabling taxpayers to correctly report information regarding ITC availed, ITC reversal and ineligible ITC in Table 4 of GSTR-3B. The Notified changes of Table 4 of GSTR-3B have been incorporated in GSTR-3B and are available on GST Portal since 01.09.2022. The taxpayers are advised to report their ITC availment, reversal of ITC and ineligible ITC correctly as per new format of Table 4 of GSTR-3B at GST Portal for the GSTR-3B to be filed for the period August 2022 onwards.

For details:

https://tutorial.gst.gov.in/downloads/news/advisory_of_label_change_in_GSTR_3B_02_09_2022.pdf

Supreme Court allows 4 weeks extension to open common portal for Tran 1 & Tran 2 (September 03, 2022)

Hon'ble Supreme Court while hearing an application from GSTN, has allowed extension of 4 weeks' time to comply with their order dated 22/07/2022 issued in the matter of UOI & Anr. V/s Filco Trade Centre Pvt. Ltd. & Anr. bearing SLP (C) nos. 32709 - 32710/2018.

Accordingly, GSTN would open the common portal for filing transitional credit through Tran 1 and Tran 2 w.e.f October 01, 2022.

For details: <https://www.gst.gov.in/newsandupdates/read/554>

Guidelines for filing/revising TRAN-1/TRAN-2 in terms of order dated 22.07.2022 & 02.09.2022 of Hon'ble Supreme Court in the case of Union of India vs. Filco Trade Centre Pvt. Ltd (Circular No. 180/12/2022 - GST dated September 09, 2022)

In accordance with the directions of Hon'ble Supreme Court, the facility for filing TRAN1/ TRAN-2 or revising the earlier filed TRAN-1/TRAN-2 on the common portal by an aggrieved registered assessee will be made available by GSTN during the period from October 01, 2022 to November 30, 2022. The applicant may file declaration in FORM GST TRAN-1/TRAN-2 or revise earlier filed TRAN-1/TRAN-2 duly signed or verified through electronic verification code on the common portal. In cases where the applicant is filing a revised TRAN-1/TRAN-2, a facility for downloading the TRAN-1/TRAN-2 furnished earlier by him will be made available on the common portal.

For details: <https://taxinformation.cbic.gov.in/view-pdf/1003122/ENG/Circulars>

Gameskraft Technology faces Rs 21,000-crore tax notice for 'GST evasion' (September 25, 2022)

The Director General of Goods and Services Tax Intelligence (DGGI) has slapped its heftiest tax notice of Rs 21,000 crore on Bengaluru-based Gameskraft Technology (GTPL) for allegedly evading GST on the betting amount. Gameskraft has dubbed the notice a "departure from the well-established law of the land". The company is accused of promoting online betting through card, casual and fantasy games like Rummy Culture, Gamezy and Rummy Time. The notice has been served on the gaming firm for transactions that happened between 2017 and June this year. It has been alleged that the gaming platform provided back-dated invoices to the tax authorities for the purpose of evading taxes.

For details:

https://www.business-standard.com/article/companies/dggi-slaps-rs-21-000-crore-taxnotice-on-gameskraft-technology-122092500777_1.html

Amendments to the Finance Act 2022 has been notified w.e.f. October 01, 2022 (Notification No. 18/2022 - Central Tax dated September 28, 2022)

CBIC has notified October 01, 2022 as the date on which provisions of sections 100 to 114 (related to amendments in Central Goods and Services Tax Act, 2017), except clause (c) of section 110 and section 111 of Finance Act, 2022 shall come into force.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1009513/ENG/Notifications>

Central Goods and Services Tax (Second Amendment) Rules, 2022 (Notification No. 19/2022 - Central Tax dated September 28, 2022)

This notification seeks to make amendments (Second Amendment, 2022) to the CGST Rules, 2017. In rule 96 of the said rules, in sub-rule (3), for the words, letters and figures, – FORM GSTR3 or FORM GSTR-3B, as the case may be, the letters and figure, – FORM GSTR-3B shall be substituted. FORM GSTR-1A, FORM GSTR-2 and FORM GSTR-3 of the said rules shall be omitted.

For details:

https://www.cbic.gov.in/resources//htdocs-cbec/gst/19_2022_CT_Eng.pdf

CBIC has rescinded the notification extending the due date for filing of the application for GST Refund under section 55 by notified agencies (Notification No. 20/2022 - Central Tax dated September 28, 2022)

This notification seeks to rescind Notification No. 20/2018-CT dated March 28, 2018. The rescinded notification relates to extension of due date for filing of application for refund under section 55 of Central Goods and Services Act, 2017 by notified agencies.

For details:

https://www.cbic.gov.in/resources//htdocs-cbec/gst/20_2022_CT_Eng.pdf

Customs

Publication of Controlled Delivery (Customs) Regulations 2022 (Notification No. 59/2022-Customs (N.T.) dated July 12, 2022)

The proper officer having a reasonable belief, that a suspect consignment, is being imported into or exported out of India, in the form of the baggage or otherwise, shall file a report in FORM-I proposing to undertake controlled delivery of such consignment and the report so-filed by the proper officer, shall be put up before the specified authority for approval of undertaking such controlled delivery.

For details:

<https://egazette.nic.in/WriteReadData/2022/237263.pdf>

Guidelines for launching of Prosecution in relation to offences punishable under the Customs Act, 1962 (Circular No. 12/2022 - Customs dated August 16, 2022)

CBIC has raised the monetary thresholds for prosecution and arrest for customs offences. There will be no prosecution against foreign nationals and NRIs (normally visiting India for travel/business trips etc.) on detection of non-declaration of foreign currency, if it is legally acquired. The threshold for prosecution involving baggage has been increased to Rs. 50,00,000/-.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1003117/ENG/Circulars>

Revised Guidelines for Arrest and Bail in relation to offences punishable under Customs Act, 1962 (Circular No. 13/2022 - Customs dated August 16, 2022)

CBIC has clarified that arrest in respect of an offence, should be effected only in exceptional situations which may include:

- a) Cases involving unauthorised importation in baggage/ cases under Transfer of Residence Rules, where the market value of the goods involved is Rs. 50,00,000/- or more;
- b) Cases of outright smuggling of high value goods such as precious metal, restricted items or prohibited items or goods notified under section 123 of the Customs Act, 1962 or offence involving foreign currency where the value of offending goods is Rs. 50,00,000/- or more.

For details:

<https://taxinformation.cbic.gov.in/view-pdf/1003118/ENG/Circulars>

Banking and Insurance

Info Capsule Series 13

Can't ban crypto without international collaboration: Nirmala Sitharaman (July 18, 2022)

Finance Minister Nirmala Sitharaman said that cryptocurrencies could be banned or prohibited only after significant international collaboration on the risks, benefits, evolution of common taxonomy and standards. Sitharaman's statement on cryptocurrencies or Virtual Currencies (VCs) in Parliament was in response to a fivepointer question. The questions were about the Reserve Bank of India's cautious stance on crypto assets, concerns over adverse effects of crypto on the Indian Economy and India's progress in framework to legalize or restrict cryptocurrencies in the country.

For details:

<https://economictimes.indiatimes.com/markets/cryptocurrency/cant-ban-crypto-withoutinternational-collaboration-nirmala-sitharaman/articleshow/92957621.cms>

States urged to exempt banks from Shop & Establishment Act (July 19, 2022)

The Finance Ministry has written a letter to all states requesting them to exempt banks from the applicability and provisions of the Shop and Establishment (S&E) Act. This comes after some banks raised concerns about state governments trying to impose certain regulations on the lenders with regard to their specific labour laws.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/states-urgedto-exempt-banks-from-shop-establishment-act/articleshow/92964572.cms>

Bad loan ratio of banks likely to fall to 5-5.5% by March 2024, says S&P Global (July 22, 2022)

S&P Global Ratings on July 21, 2022 said Non-Performing loans of banks are expected to decline to 5-5.5 per cent of the total advances by March 2024. As per the latest Financial Stability Report published by the RBI, the Gross Non-Performing Assets (GNPA) declined to a six-year low of 5.9 per cent in March 2022.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bad-loanratio-of-banks-likely-to-fall-to-5-5-5-by-march-2024-says-spglobal/articleshow/93032732.cms>

RBI stipulates four-tier regulatory structure for Urban Co-Operative Banks (July 20, 2022)

The Reserve Bank of India (RBI) on July 19, 2022 prescribed a four-tier regulatory structure for Urban Cooperative Banks (UCBs), accepting the recommendation of an expert committee constituted last year to suggest changes aimed at strengthening the sector. In February last year, RBI constituted the committee headed by former Deputy Governor N S Vishwanathan to examine issues in the Urban Cooperative Banking sector, provide a medium-term road map and suggest measures for faster resolution of UCBs, among others.

For details:

<https://www.livemint.com/industry/banking/rbi-stipulates-four-tier-regulatorystructure-for-urban-co-op-banks-11658239873333.html>

Zero tolerance for volatility: Das (July 22, 2022)

The Reserve Bank of India has “zero tolerance for volatility” of the rupee and will continue to engage in the foreign exchange market without having a particular level in mind, Governor Shaktikanta Das said on July 22, 2022.

For details:

<https://www.livemint.com/industry/banking/zero-tolerance-for-rupee-volatilitydas11658513197317.html>

Credit card on UPI: NPCI in talks with banks for pilot (July 22, 2022)

The National Payments Corporation of India (NPCI), the umbrella organisation for retail payments in the country, will commence a pilot project of enabling credit cards on Unified Payments Interface (UPI) over the next two months.

For details:

<https://indianexpress.com/article/business/banking-and-finance/credit-card-on-upinpci-in-talks-with-banks-for-pilot-8046563>

Board approved Loan Policy - Management of Advances - UCBs (July 26, 2022)

Primary (Urban) Cooperative Banks (UCBs) are required to lay down, with the approval of their boards, transparent policies and guidelines for credit dispensation, in respect of each broad category of economic activity, keeping in view the credit exposure norms and various other guidelines issued by Reserve Bank from time to time. It has been observed in several UCBs that these policies not only lack comprehensive coverage, but also do not require a periodic review. In order to ensure that the loan policy reflects approved internal risk appetite and remains in alignment with the extant regulations, it is advised that the loan policy of the bank shall be reviewed by the Board at least once in a financial year.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12361&Mode=0>

Discussion Paper and results of Survey on Climate Risk and Sustainable Finance (July 27, 2022)

The Reserve Bank of India (RBI) has released on July 27, 2022 a Discussion Paper on Climate Risk and Sustainable Finance. Comments on the Discussion Paper are invited from regulated entities and other stakeholders by September 30, 2022. The comments may be forwarded by email (sfgdor@rbi.org.in) with the subject line “Comments on the Discussion Paper on Climate Risk and Sustainable Finance”.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54097

Digital payments record 29% annual growth at March-end 2022: RBI data (July 28, 2022)

The Reserve Bank of India's (RBI) Digital Payments Index (DPI) rose to 349.30 as of March 2022, as against 304.06 in September 2021, thus reflecting the rapid adoption of digital payments in the country. Launched in January 2021, the DPI index indicates the extent of digitisation of payments across the country.

For details:

https://www.business-standard.com/article/finance/digital-payments-record-29-annual-growth-at-march-end-2022-rbi-data-122072701588_1.html

Banks seek relief from RBI on personal loan overdraft norms (August 01, 2022)

Banks have approached the Reserve Bank of India (RBI) seeking relaxation of its recent guidelines to allow them to issue debit cards to customers having Over-Draft (OD) accounts that are used for extending personal loans. Banks, under the aegis of the Indian Banks' Association (IBA), have urged the RBI to permit them to issue debit cards in the OD accounts that are of the nature of personal loans, where the limits are sanctioned against salary, pension, deposits and government securities, and for personal consumption. They also want to issue debit cards where such a facility is extended to Mudra and Kisan credit card accounts holders.

For details:

<https://www.financialexpress.com/industry/banking-finance/banks-seek-relief-from-rbi-onpersonal-loan-overdraft-norms/2612617/>

Cos with local investment grade ratings eligible for ECB relaxation: RBI (August 02, 2022)

Companies rated investment grade locally can make use of the central bank's relaxed rules on External Commercial Borrowings (ECB), the Reserve Bank of India (RBI) said on August 01, 2022, giving further regulatory clarity on creditworthiness eligibility for availing of this limited-period offer. The special dispensation will expand the universe of local borrowers seeking to tap the global money hubs for funds.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/cos-with-localinvestment-grade-ratings-eligible-for-ecb-relaxation-rbi/articleshow/93282708.cms>

RBI's FI-index improves in 2022 across all parameters (August 03, 2022)

The Reserve Bank of India (RBI) on August 02, 2022 said that India's financial inclusion (FI) index for the year ended March 31, 2022, improved to 56.4 from 53.9 in the previous year, with the index showing growth across all the subindices, the central bank said in a press release. The index is published annually in July.

For details:

<https://www.financialexpress.com/industry/bankingfinance/rbis-fi-index-improves-in-2022-across-allparameters/2615053/>

Liquidity Adjustment Facility - Change in rates (August 05, 2022)

It has been decided by the Monetary Policy Committee (MPC) to increase the policy Repo rate under the Liquidity Adjustment Facility (LAF) by 50 basis points from 4.90 per cent to 5.40 per cent with immediate effect. Consequently, the Standing Deposit Facility (SDF) rate and Marginal Standing Facility (MSF) rate stand adjusted to 5.15 per cent and 5.65 per cent respectively, with immediate effect.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12369&Mode=0>

Reserve Bank - Integrated Ombudsman Scheme, 2021 (RBIOS, 2021) (August 05, 2022)

The Reserve Bank of India, being satisfied that it is in public interest to do partial modification of its notification CEPD. PRD. No. S873/13.01.001/2021-22 dated November 12, 2021, and to provide an avenue for cost free alternate grievance redress to customers of regulated entities covered under the RBIOS 2021 for grievances against Credit Information Companies. The amendment in the Scheme shall come into force w.e.f. September 1, 2022.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=12371&Mode=0>

RBI prescribes norms for Small Finance Banks looking to deal in forex (August 08, 2022)

The Reserve Bank on August 08, 2022 said Small Finance Banks which have completed two years of operations and have a minimum net worth of Rs. 500 crore can deal in foreign exchange. In a circular, the RBI said this is being permitted with the objective of giving more flexibility to Small Finance Banks (SFBs) to meet their customers' foreign exchange business requirement.

For details:

https://www.business-standard.com/article/finance/rbi-prescribes-norms-for-smallfinance-banks-looking-to-deal-in-forex-122080801551_1.html

PSBs clock 9% rise in profit to Rs. 15,306 crore in April-June (August 09, 2022)

All the 12 public sector banks earned a cumulative profit of about Rs. 15,306 crore, registering a 9.2% growth annually, despite poor showing by large lenders like SBI and PNB. During the April-June period of the previous fiscal, state-owned banks recorded a total profit of Rs. 14,013 crore, according to quarterly numbers published by public sector lenders.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psbs-clock-9-rise-in-profit-to-rs-15306-crore-in-april-june/articleshow/93462270.cms>

Indian fintech market to achieve \$1 trillion AUM by 2030 : Report (August 10, 2022)

The Indian fintech market touted as the fintech hub globally is estimated to reach Assets Under Management (AUM) of \$1 trillion by 2030, up 10-fold from its 2021 size of roughly \$100 billion. At the same time, the industry was expected to generate a revenue of \$200 billion - also a 10X jump from 2021's \$20 billion, according to a report. The report titled "\$1 trillion India fintech opportunity" jointly published by Chiratae Ventures and EY said payments, digital lending, wealth tech, insurtech, and neo-banking will all contribute to growth in the larger fintech space. That growth will be helped by favourable demographics, growing technology adoption, higher disposable incomes and an aware customer, United Payments Interface (UPI), among other factors.

For details:

<https://www.financialexpress.com/industry/banking-finance/indian-fintech-market-toachieve-1-trillion-aum-by-2030-report/2623959/>

Re-nomination of Shri Satish Kashinath Marathe and Shri Swaminathan Gurumurthy as part-time, Nonofficial Directors on the Central Board of Reserve Bank of India(August 11, 2022)

The Central Government has re-nominated Shri Satish Kashinath Marathe and Shri Swaminathan Gurumurthy as part-time, non-official Directors on the Central Board of Reserve Bank of India for a further period of four years with effect from August 11, 2022, or until further orders, whichever is earlier.

For details:

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR701CF817ACE4A9F458AA64F5C9EAA6E8A21.PDF>

RBI clears way for IDBI Bank EoI in September (August 17, 2022)

With the regulators willing to provide the required flexibility in norms, the government is set to float an Expression of Interest (EoI) for the strategic disinvestment of IDBI Bank next month. The Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) are understood to have agreed to provide a flexible glide path to reduce the promoter's (acquirer's) stake in the bank once the transaction is over. To make the deal attractive, the Government had urged the RBI to give the potential buyer some leeway in complying with the regulatory norms meant for private banks, including a time-bound reduction in promoter holding. The buyer may get 10-15 years to reduce stake in the bank to the desired level of 26%.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-clears-way-for-idbi-bankeoi-in-september/2632451/>

Loan defaulters and those facing probe need NOC to invest abroad (August 23, 2022)

The Finance Ministry on August 23, 2022 made it tougher for loan defaulters and those facing probe by investigative agencies to invest in overseas entities. They will now have to secure a No-Objection Certificate (NOC) from their lenders, or the regulators or probe agencies concerned before making overseas investments, according to the new norms notified by the Department of Economic Affairs (DEA).

For details:

<https://www.financialexpress.com/industry/banking-finance/loan-defaulters-and-thosefacing-probe-need-noc-to-invest-abroad/2640369/>

RBI Governor say inflation has peaked, ‘will approach 4% target in steady manner’ (August 23, 2022)

Reserve Bank of India Governor Shaktikanta Das seeks to slow India’s inflation to 4% within two years after hitting its peak in the last few months. The RBI has raised policy repurchase rate by a total of 140 basis points since May, including back-to-back half point increases in June and August, to cool down inflation within its mandate of 2%-6%. Consumer prices have fallen for three straight months in July but continue to remain above 6% mark.

For details:

<https://www.livemint.com/industry/banking/rbi-governor-says-inflation-has-peaked-willapproach-4-target-in-steady-manner-11661241892929.html>

Finance Ministry allays worries on UPI charges, says providers may seek ‘other means’ (August 22, 2022)

After the Reserve Bank of India (RBI) came out with a discussion paper last week on charges in payment systems, the Finance Ministry on August 21, 2022 clarified that there is no consideration in the Government to levy any charges for Unified Payments Interface (UPI) services. In a discussion paper released on August 17, 2022, the RBI had asked stakeholders if the Merchant Discount Rate (MDR), a fee paid by merchants to acquiring banks, should be brought back for UPI transactions. MDR on UPI transactions has been a long-standing demand of the payments industry.

For details:

<https://indianexpress.com/article/business/banking-and-finance/finance-ministry-allaysworries-on-upi-charges-says-providers-may-seek-other-means-8103834>

RBI lifts business restrictions imposed on American Express (August 24, 2022)

The Reserve Bank of India (RBI) on August 24, 2022 lifted the ban on American Express, more than a year after it was imposed. The central bank had restricted Amex from onboarding new clients in April last year as it failed to meet data localisation norms. “In view of the satisfactory compliance demonstrated by American Express Banking Corp. with the circular on Storage of Payment System Data, the restrictions imposed on on-boarding of new domestic customers have been lifted with immediate effect,” the central bank said in a notification.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-lifts-business-restrictions-imposed-onamerican-express/articleshow/93759003.cms>

To check banking frauds, RBI mulls setting up of fraud registry (August 30, 2022)

As part of its efforts to strengthen customer protection, Reserve Bank of India (RBI) is considering setting up a fraud registry to create a database of fraudulent websites, phones and various modus operandi used for digital fraud. Such a database will help prevent these fraudsters from repeating the fraud as the websites or phone numbers would be blacklisted.

For details:

<https://www.livemint.com/industry/banking/to-check-banking-frauds-rbi-mulls-setting-upof-fraud-registry-11661833024967.html>

Debit, Credit card frauds on rise, ATM scams down: NCRB (August 31, 2022)

Fraudulent credit and debit card transactions surged for the second straight year in 2021, while ATM-related fraud has declined, a report released by the National Crime Records Bureau (NCRB) showed. According to the data, 3,432 cases of credit and debit card frauds were filed from across India in 2021, up nearly 20% from the year-earlier. In 2020, such frauds increased by over 70%. In just two years, credit and debit card-related frauds nearly doubled, it showed. Meanwhile, the number of bank frauds (3,062 cases) and ATM frauds (2,914) fell 20.8% and 1.5%, respectively.

For details:

<https://www.livemint.com/industry/banking/debit-creditcard-frauds-on-rise-atm-scams-down-ncrb11661885877307.html>

Adhere to digital loan norms by Nov 30: RBI to lenders (September 04, 2022)

Regulated Entities (REs), including banks and other lenders, will have time till November 30 to transition existing customer accounts to the new digital lending guidelines, the Reserve Bank of India (RBI) said on September 02, 2022. The central bank clarified through a notification that the new norms, released through a circular dated August 10, will be applicable to existing customers availing fresh loans and to new customers getting on-boarded from the date of the circular.

For details:

<https://indianexpress.com/article/business/banking-andfinance/adhere-to-digital-loannorms-by-nov-30-rbi-to-lenders8127887/>

RBI seeks on-tap applications for second regulatory cohort (September 06, 2022)

The Reserve Bank of India (RBI) on September 05, 2022 said that the second cohort on 'cross border payments' is now also open for 'on tap' application. The central bank had earlier selected four entities for the test phase of the second cohort. Cashfree Payments India, Fairex Solutions, Nearby Technologies and Open Financial Technologies completed the test phase of the cohort in July 2022. A regulatory sandbox is live testing of new products or services on a pilot basis with some relaxations for the limited purpose of the testing, after which the RBI invites an 'on tap' application based on the experience gained and the feedback received from stakeholders.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-seeks-on-tap-applicationsfor-second-regulatory-cohort/2656355/>

Rising credit card and UPI payments indicate increase in consumption, say experts (September 11, 2022)

Rising credit card and UPI payments indicate towards increase in consumption amid recovery in economic activities with ebbing impact of Covid pandemic, said experts and market players. As per the RBI's monthly data, Unified Payments Interface (UPI) transaction increased from Rs. 9.83 lakh crore in April this year to Rs. 10.73 lakh crore in August. Similarly, credit card spends through PoS (Point of Sale) terminal increased from Rs. 29,988 crore in April this year to Rs. 32,383 crore in August. The credit card spending on e-commerce platforms, which was valued at Rs. 51,375 crore in April, rose to Rs. 55,264 crore in August.

For details:

<https://www.financialexpress.com/industry/bankingfinance/rising-credit-card-and-upi-payments-indicateincrease-in-consumption-say-experts/2662840>

Loan waiver not a benefit, banks exempt from 10% TDS for one-time settlement (September 13, 2022)

Banks will not be required to deduct 10% tax at source (TDS) on One-Time Settlement (OTS) or loan waivers, the Central Board of Direct Taxes (CBDT) said on September 13, 2022. The exemption will be available to all public financial institutions, scheduled banks, cooperative banks, rural development banks, state financial corporations, and state industrial investment corporations.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/loan-waivernot-a-benefit-banks-exempt-from-10-tds-for-one-timesettlement/articleshow/94185009.cms>

Chip shortage impacts banks' card issuance, likely to trigger CCI probe (September 14, 2022)

A representation made by Indian Banks Association (IBA) to the government is likely to trigger a Competition Commission of India (CCI) probe into alleged cartelization by chip suppliers, which is seen to be hampering card issuance by banks. The trigger for the representation arose out of the difficulty faced by banks in providing RuPay cards to account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY) which aims to expand affordable access to financial services such as bank accounts, remittances, credit, insurance and pensions.

For details:

<https://www.thehindubusinessline.com/money-and-banking/chip-shortage-impactsbanks-card-issuance-likely-to-trigger-cci-probe/article65882060.ece>

RTI disclosure of sensitive info will breach right to privacy: Banks tell SC (September 14, 2022)

Lenders, including SBI, PNB and HDFC Bank, on September 13, 2022 vehemently opposed any disclosure of their "highly confidential and sensitive" inspection and risk assessment reports under the Right to Information Act (RTI), saying this would amount to invasion of right to privacy of their lenders and customers, shareholders and employees. The Reserve Bank of India (RBI) supported the banks' argument. The apex court had, in February 2021, revived its 2015 judgment making it necessary for RBI to disclose financial information related to private and public banks under the RTI Act.

For details:

<https://www.financialexpress.com/industry/banking-finance/rti-disclosure-of-sensitiveinfo-will-breach-right-to-privacy-banks-tell-sc/2665786/>

Compliance Function and Role of Chief Compliance Officer (CCO) - Urban Cooperative Banks (September 19, 2022)

As part of the overall structure for Corporate Governance, the Compliance Function serves a critical role. Therefore, it has been decided to introduce certain principles, standards and procedures for Compliance Function in UCBs, keeping in view the principles of proportionality. Accordingly, captioned circular shall be applicable to all UCBs under Tier 3 and Tier 4 categories except UCBs under All Inclusive Directions (AID). UCBs under Tier 1 and Tier 2 categories shall continue to be governed under the existing guidelines. The UCBs under Tier 4 category shall put in place a Board-approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO), based on specified framework. The UCBs under Tier 3 category shall implement the same latest by October 1, 2023.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12389&Mode=0>

RBI Working Paper No. 12/2022: Predicting Exchange Rate in India: A Nonparametric Causality-in-Quantiles Approach (September 19, 2022)

The Reserve Bank of India on September 19, 2022 placed on its website a Working Paper titled “Predicting Exchange Rate in India: A Non-parametric Causality-in-Quantiles Approach” under the Reserve Bank of India Working Paper Series. Using the nonparametric causality-in-quantiles approach, the paper examines the relationship between the INR/USD exchange rate, and the crude oil and gold prices, domestic and global stock prices, volatility index (VIX) and net foreign portfolio investments under various foreign exchange market conditions. This investigation is carried out for the different quantiles of the conditional distribution of the exchange rate. The empirical analysis indicates that most of the selected variables exhibit causality with the exchange rate of the INR for all quantiles excluding the two extreme ends of the conditional distribution.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54390

RBI Working Paper No. 13/2022: Is Implied Volatility Index (VIX) a Forward Looking Indicator of Stock Market Movements in India? (September 19, 2022)

The Reserve Bank of India on September 19, 2022 placed on its website a Working Paper titled “Is Implied Volatility Index (VIX) A Forward-Looking Indicator of Stock Market Movements in India?” under the Reserve Bank of India Working Paper Series. The paper examines the relationship between the implied volatility index (VIX) and stock market movements in India over the last decade. It finds that negative returns in the stock index generate larger changes in implied volatility as compared to positive returns. The size of the return also influences the relative change in the implied volatility index.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54391

RBI Working Paper No. 14/2022: Monetary Policy Independence under a Flexible Exchange Rate Regime - The Indian Case (September 21, 2022)

The Reserve Bank of India on September 21, 2022 placed on its website a Working Paper titled “Monetary Policy Independence under a Flexible Exchange Rate Regime - The Indian Case” under the Reserve Bank of India Working Paper Series. The major findings of the paper are: There is a high degree of sterilisation of the increase in money supply that results from forex market interventions in India & Forex market interventions during surges in capital flows to contain the INR volatility lead to an increase in M3, which however is found to be neither inflationary nor elicits a policy rate response by the RBI; this points to RBI’s monetary policy independence not facing much constraints from its exchange rate policy and financial openness.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54401

IBA forms key working group of banks on sustainability (September 23, 2022)

In a first, the Indian Banks' Association (IBA) has set up a large working group, comprising representatives of about a dozen-and-a-half key banks, solely for handling issues covering the entire spectrum of sustainability and green financing, in light of the growing importance of this segment in the financial sector. This working group will play an important role in firming up recommendations on sustainability finance and could be a useful tool for authorities ahead of India's G20 presidency in December, where Environmental, Social And Governance (ESG) issues will be a major talking point among participating countries.

For details:

<https://www.financialexpress.com/industry/bankingfinance/iba-forms-key-working-group-of-banks-onsustainability/2687854/>

Rupee hits new low vs USD on hawkish Fed; poll shows currency at 81 by December (September 23, 2022)

The rupee on September 22, 2022 hurtled to a new low against the dollar, weakening 1.1 per cent, as the Federal Reserve (Fed) on September 21, 2022 not only raised interest rates but signalled a longer monetary tightening cycle than was expected earlier. After suffering its steepest single-day fall since the Ukraine war broke out, the rupee settled at 80.87 as against 79.98 at the previous close. The domestic currency has depreciated 8 per cent so far in 2022.

For details:

https://www.businessstandard.com/article/finance/rupee-sinks-to-new-lowsuffers-worst-single-day-fall-since-ukraine-war122092201032_1.html

RBI tells banks to make extra provisions for earlier defaults (September 27, 2022)

The Reserve Bank of India (RBI) has identified a set of loan accounts, including companies owned by the State Governments which defaulted on repayments between FY20 and FY22, and has asked banks to make provisions against them retrospectively. The regulator recently conducted an inspection for FY22 and insisted that the banks set aside 20% of outstanding loans taken by the entities as provisions. RBI pulled up banks for not following a 07 June 2019 circular on the resolution of stressed assets, which mandated lenders to review loan accounts within 30 days of default.

For details:

<https://www.livemint.com/industry/banking/rbi-tells-banks-to-make-extra-provisionsfor-earlier-defaults-11664212585845.html>

Growth in credit offtake at 9-yr high, with retail driving demand (September 27, 2022)

Bank credit grew at 16.2 per cent in the fortnight ended September 9, the highest in about nine years, aided by revival in the economic activity post-Covid, increased working capital demand, rising discretionary spending and low-base effect. The outstanding bank credit stood at Rs. 125.5 lakh crore during the reporting fortnight, Rs. 17.5 lakh crore more than the Rs. 108.02 lakh crore during the fortnight ended September 10, 2021, as per the latest data released by the Reserve Bank of India.

For details:

<https://indianexpress.com/article/business/banking-and-finance/growth-in-creditofftake-at-9-yr-high-with-retail-driving-demand-8174784/>

Merchants seek wider testing of recurring payments (September 28, 2022)

With less than a week remaining for implementation of Reserve Bank of India's (RBI) tokenisation mandate, top merchants have once again approached the regulator to direct banks, payment aggregators and card networks to ensure that recurring payments are tested widely to avoid disruptions.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/merchants-seek-wider-testing-of-recurring-payments/articleshow/94490396.cms>

FM asks banks to fill backlog vacancies, boost SC coverage in all schemes (September 28, 2022)

Finance Minister Nirmala Sitharaman on September 27, 2022 asked Public Sector Banks (PSBs) to fill the backlog vacancies of Scheduled Castes (SCs) in time bound manner and enhance their coverage in all schemes. It was also directed that the redressal of all pending grievances pertaining to the SC community may also be taken up in the special drive by the Department of Financial Services (DFS) from October 02, 2022. She also advised PSBs heads to look into the need for capacity building and entrepreneurship development as SCs constitute about 18 per cent of the total workforce of the banks and Financial Institutions (FIs).

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/fm-asks-banks-to-fill-backlog-vacancies-boost-sc-coverage-in-all-schemes/articleshow/94488562.cms>

PSBs plan to set up big data and analytics verticals (September 28, 2022)

State-run banks will set up dedicated verticals for big data and analytics, and integrate all data sources, eyeing a shift to a more data-driven decision-making. The move follows the Government's directive to lenders to strengthen data-driven, integrated and inclusive banking. In the next one year, Public Sector Banks (PSBs) will also roll out digital-only products and services, designed for minimum data entry, automated checks, and underwriting for retail customers and micro, small and medium enterprises.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/psbs-plan-to-set-up-big-data-and-analytics-verticals/articleshow/94517835.cms>

Tokens for card payments RBI unlikely to extend credit card security deadline (September 29, 2022)

India's central bank is unlikely to extend a Friday (September 30, 2022) deadline for businesses to set up an additional layer of security for consumers' credit card data even after some concerns remain over payments failing and revenue losses, say bankers and merchants. Despite a demand by smaller merchants to delay the compliance date, there has been no indication so far by the central bank that there is likely to be an extension in deadline.

For details:

<https://www.thehindubusinessline.com/money-and-banking/rbi-unlikely-to-extend-credit-card-security-deadline/article65949209.ece>

RBI hikes repo rate by 50 bps as battle on inflation continues in full swing (September 30, 2022)

In line with market expectations, the Reserve Bank of India (RBI) on September 30 announced a 50 basis points hike in the Repo Rate stepping up its fight against persistently high inflation. Repo is the rate at which the central bank lends short-term funds to banks. One BPS is one-hundredth of a percentage point. With the latest rate hike, the repo rate now stands at 5.9%. Announcing the policy decision, RBI Governor Shaktikanta Das highlighted the worry of the rate-setting panel on inflation and said the central bank is watching the price situation closely. Out of the six policy members, five voted in favour of a 50 BPS rate hike.

For details:

<https://www.moneycontrol.com/news/business/rbi-hikes-repo-rate-by-50-bps-as-battle-on-inflation-continues-in-full-swing9249581.html>

RBI plans to extensively use artificial intelligence, machine learning to improve regulatory supervision (October 05, 2022)

The Reserve Bank of India (RBI) is planning to extensively use advanced analytics, Artificial Intelligence (AI) and Machine Learning (ML) to analyse its huge database and improve regulatory supervision on banks and NBFCs. For this purpose, the central bank is also looking to hire external experts. While the RBI is already using AI and ML in supervisory processes, it now intends to upscale it to ensure that the benefits of advanced analytics can accrue to the Department of Supervision in the central bank.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-plans-to-extensively-use-artificial-intelligence-machine-learning-to-improve-regulatory-supervision/articleshow/94659490.cms>

No charge for RuPay credit card use on UPI for transaction up to ₹2,000: NPCI (October 06, 2022)

The National Payments Corporation of India (NPCI) has said there will be no charge for RuPay credit card use on Unified Payments Interface (UPI) for transactions up to ₹2,000. RuPay credit card has been operational for the last four years, and all major banks are enabled and are issuing incremental cards for both commercial and retail segments.

For details:

<https://www.livemint.com/industry/banking/no-charge-for-rupay-credit-card-use-on-upi-for-transaction-up-to-rs-2-000-npci-11664954850994.html>

RBI launches ढक्ष (DAKSH) - Reserve Bank's Advanced Supervisory Monitoring System (October 06, 2022)

The Reserve Bank of India (RBI) has been taking various initiatives in strengthening supervision, which among other initiatives include adoption of latest data and analytical tools as well as leveraging technology for implementing more efficient and automated work processes. In continuation of this effort, Shri Shaktikanta Das, Governor, on October 06, 2022 launched a new SupTech initiative named “ढक्ष (DAKSH) - Reserve Bank's Advanced Supervisory Monitoring System”, which is expected to make the Supervisory processes more robust. ‘ढक्ष (DAKSH)’ means ‘efficient’ & ‘competent’, reflecting the underlying capabilities of the application. ‘ढक्ष (DAKSH)’ is a web-based end-to-end workflow application through which RBI shall monitor compliance requirements in a more focused manner with the objective of further improving the compliance culture in Supervised Entities (SEs) like Banks, NBFCs, etc. The application will also enable seamless communication, inspection planning and execution, cyber incident reporting and analysis, provision of various MIS reports etc., through a Platform which enables anytime-anywhere secure access.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54503

Issuance of Concept Note on Central Bank Digital Currency (October 07, 2022)

The Reserve Bank of India on October 07, 2022 released a Concept Note on Central Bank Digital Currency (CBDC) for India. The purpose behind the issue of this Concept Note is to create awareness about CBDCs in general and the planned features of the Digital Rupee (e₹), in particular. It explains the objectives, choices, benefits, and risks of issuing a CBDC in India. The Note also seeks to explain Reserve Bank's approach towards introduction of the CBDC.

For details:

https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54510

&

<https://rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1218>

No material impact of rate hike on demand for home loans, shows RBI data (October 09, 2022)

Interest rates do not seem to have a material bearing on people who buy their dream residential properties on borrowed funds as the home loan outstanding of banks almost doubled to Rs. 16.85 lakh crore in the last five years, Reserve Bank data showed. Home loan outstanding of banks has clocked double-digit growth in the first five months of the current fiscal, despite the Reserve Bank raising the key interest rate thrice during this period by a whopping 140 basis points (bps), led to a hike in the home loan rate.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/no-material-impact-of-rate-hike-on-demand-for-home-loans-shows-rbidata/articleshow/94741895.cms>

Review of Regulatory Framework for Asset Reconstruction Companies (ARCs) (October 11, 2022)

ARCs play a vital role in the management of distressed financial assets of banks and financial institutions. Considering their critical role, a need was felt to review their functioning and operating framework. Accordingly, as part of the Statement on Developmental and Regulatory Policies released along with the Monetary Policy Statement. Based on the Committee's recommendations and feedback from the stakeholders, the extant regulatory framework for ARCs has been amended. According to the amendments the Chair of the Board shall be an independent director. Tenure of MD/ CEO or WTD shall not be for a period of more than five years at a time and the individual shall be eligible for re-appointment. However, the post of the MD/ CEO or WTD shall not be held by the same incumbent for more than fifteen years continuously.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12399&Mode=0>

Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosure of Divergence in Asset Classification and Provisioning (October 11, 2022)

Commercial banks (excluding Regional Rural Banks (RRBs)) are required to disclose details of divergence in asset classification and provisioning where such divergence assessed by the Reserve Bank of India (RBI) exceeds certain specified thresholds. In order to strengthen compliance with income recognition, asset classification and provisioning norms, it has now been decided to introduce similar disclosure requirements for Primary (Urban) Co-operative Banks (UCBs) and revise the specified thresholds for commercial banks.

For details: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12401&Mode=0>

RBI issues consolidated guidelines on unhedged foreign currency exposure (October 11, 2022)

The Reserve Bank on October 11, 2022 modified and consolidated guidelines for banks on unhedged foreign currency exposures of any entity to prevent losses due to heightened volatility in the forex market. The RBI has, from time to time, issued several guidelines, instructions and directives to the banks on Unhedged Foreign Currency Exposure (UFCE) of the entities, which have borrowed from banks. In the wake of a bank seeking clarification on various aspects related to UFCE, the RBI said a comprehensive review of the extant guidelines has been undertaken and all the existing instructions on the subject have been consolidated. These instructions shall come into force from January 1, 2023.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-issues-consolidatedguidelines-on-unhedged-foreign-currency-exposure/2707341/>

Meeting targets IMF praises RBI for tightening monetary policy (October 12, 2022)

The International Monetary Fund (IMF) on October 11, 2022 praised the Reserve bank of India (RBI) for tightening the monetary policy to curb inflation in the country. "The RBI has appropriately been tightening to fight inflation as the inflation is above target, and since May, if my memory serves me well, it sort of delivers 190 basis points rate hikes and we think further tightening is needed to bring inflation to its target," Garcia Pascual, Deputy Division Chief of the Monetary and Capital Markets Department of the IMF, told reporters at a news conference.

For details:

<https://www.thehindubusinessline.com/money-and-banking/imf-praises-rbi-for-tightening-monetary-policy/article65999747.ece>

RBI Bulletin - October 2022 (October 17, 2022)

The Reserve Bank of India on October 17, 2022 released the October 2022 issue of its monthly Bulletin. The Bulletin includes one speech, five articles and current statistics. The five articles are: I. State of the Economy; II. Estimation of Green GDP for India; III. 'Bigtechs' in the Financial Domain: Balancing Competition and Stability; IV. Market Returns and Flows to Debt Mutual Funds; and V. Financial Liabilities of Household Sector in India - An Assessment.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54553

Too big to fail 'Bigtechs' pose systemic risks to financial stability: RBI paper (October 17, 2022)

Large non-financial technology firms, referred to as "bigtechs," pose challenges to financial stability owing to their technological advantages, large user base, wide-spread use by financial institutions and network effects, according to an RBI paper. Bigtechs include companies such as Alibaba, Amazon, Facebook, Google, and Tencent. They usually hold service licenses through subsidiaries or JVs with varying levels of ownership control and jurisdictional regulatory advantages. Given their clientele, it is also possible for them to create products and establish a presence with greater ease vis-à-vis nascent fintechs.

For details:

<https://www.thehindubusinessline.com/money-and-banking/bigtechs-pose-systemicrisks-to-financial-stability-rbi-paper/article66022974.ece>

Fight against inflation will be dogged, prolonged: RBI (October 18, 2022)

The Reserve Bank of India (RBI) on October 17, 2022 said that the efforts to bring down retail inflation within its tolerance band will be tough and protracted owing to the lag effect of Monetary Policy. The focus of the Monetary Policy, however, will remain on bringing down retail inflation even as the metric continues to be above the mandated levels. The RBI expects headline inflation to ease from its higher levels in September, on the back of easing momentum and favourable base effects.

For details:

<https://www.financialexpress.com/industry/banking-finance/fight-against-inflationwill-be-dogged-prolonged-rbi/2717634/>

Competition Law

Info Capsule Series 13

CCI approves acquisition of stake in Tata Power Renewable Energy Limited by Greenforest New Energies Bidco Limited (July 26, 2022)

The proposed combination relates to internal reorganization of TPREL and acquisition of up to 11.43% of the equity share capital of TPREL by Greenforest. Greenforest New Energies Bidco Limited (Greenforest) is an investment vehicle indirectly incorporated by BlackRock Alternatives Management, LLC. (BAM) and Mubadala Investment Company PJSC (MIC) for undertaking the Proposed Combination.

BAM is a wholly owned subsidiary of BlackRock. BlackRock is a U.S. publicly traded company active in the provision of global investment management, risk management and advisory services to institutional and retail clients. BlackRock manages assets on behalf of institutional and individual investors worldwide.

MIC is an investment vehicle of the Government of Abu Dhabi. It manages investment and development in various industries including energy, utilities and real estate. Tata Power Renewable Energy Limited (TPREL) is a wholly owned subsidiary of Tata Power Company Limited (TPCL) through which TPCL undertakes its renewable energy business in India. TPREL's primary business is generation of power through renewable sources of energy.

For details:

<https://www.cci.gov.in/media-gallery/press-release/details/228/0>

CCI approves the merger of Aditya Marketing and Manufacturing Private Limited into Umang Commercial Company Private Limited (August 30, 2022)

Umang Commercial Company Private Limited (Acquirer) is a part of Aditya Birla Group, an Indian multinational conglomerate with presence in more than 30 countries and having businesses in various industry sectors. The Acquirer is an investment holding company and holds shareholding in various entities on behalf of Mr. Kumar Mangalam Birla and / or his family. The Acquirer is registered with the Reserve Bank of India (RBI) as a Non-banking Financial Company (NBFC).

Aditya Marketing and Manufacturing Private Limited (Target) is a part of B K Birla Group, a diversified group having businesses in various industry sectors. The Target is an investment holding company and holds shareholding in various entities on behalf of late Mr. Basant Kumar Birla and his family (BKB Family). The Target is registered with the RBI as a NBFC.

The proposed combination involves merger of Target into Acquirer in accordance with the Scheme of Amalgamation under Sections 230 and 232 of the Companies Act, 2013 (Scheme). As a result of the merger and in terms of the Scheme, the shares held by the Target in various entities will get transferred to the Acquirer. Consequently, the Acquirer group will acquire control over the below listed and unlisted entities:

- a. Padmavati Investment Private Limited;
- b. Pilani Investment and Industries Corporation Limited;
- c. Century Textiles and Industries Limited;
- d. Century Enka Limited; and
- e. Ganesh Tubes and Services Private Limited. Collectively referred to as the “Proposed Combination”.

The Commission approved the proposed combination on the basis of modifications offered by the Acquirer.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/242/0>

Commission approves acquisition of 100% of the equity share capital of Indialdeas.com Limited (IIL) by PayU Payments Private Limited (PayU India) under Section 31(1) of the Competition Act, 2002 (September 05, 2022)

The proposed combination relates to the acquisition of 100% of the equity share capital of IIL by PayU India. PayU India primarily provides payment aggregation services that enables merchants (and other entities) to receive payments from their customers across various digital payment methods. The shares of PayU India are indirectly held by Prosus N.V. (“Prosus”). Prosus is a global consumer internet group and one of the leading technology investors in the world. Prosus has a primary listing on Euronext Amsterdam. Naspers Limited holds 73.6% voting rights in Prosus. Naspers is listed on the Johannesburg Stock Exchange. IIL is an unlisted public limited company. It uses the name “BillDesk” as its trading/ business/ brand name in India. IIL primarily provides payment aggregation services that enables merchants (and other entities) to receive payments from their customers across various digital payment methods.

For details: <https://www.cci.gov.in/media-gallery/press-release/details/245/0>

Commission approves acquisition by Adani Power Limited (Acquirer) of share capital of Diligent Power Private Ltd and DB Power Limited (collectively referred to as Targets) (September 29, 2022)

The Proposed Combination involves the acquisition of the 100% of the share capital and economic rights of the Targets by the Acquirer. The Acquirer is a public listed company incorporated in India with its shares listed on BSE Limited as well as the National Stock Exchange of India Limited. DB Power operates a coal based thermal power plant with an installed capacity of 1200 MW per hour in Chhattisgarh.

For details: <https://www.cci.gov.in/antitrust/press-release/details/247>

Regional Office (West) of Competition Commission of India (CCI) in Mumbai inaugurated by Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance & Corporate Affairs (October 06, 2022)

Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Corporate Affairs inaugurated the Regional Office (West) of Competition Commission of India (CCI) October 06, 2022 in a virtual event. Rao Inderjit Singh, Hon'ble Union Minister of State (Independent Charge) for Statistics & Programme Implementation; Planning and Minister of State, Ministry of Corporate Affairs also graced the occasion with his presence.

The Regional Office (West) in Mumbai is the third regional office opened by CCI, after Regional Office (South) in Chennai (inaugurated in February 2021) and Regional Office (East) in Kolkata (inaugurated in April 2022).

In her address, Smt. Nirmala Sitharaman, congratulated CCI for opening regional office in Mumbai and remarked that easy access of CCI to businesses is important for facilitating ease of doing business. She also complimented CCI for publishing its advocacy booklets in various regional languages and added that such steps empower people in having better access to the regulator. On rapidly evolving digital markets, Smt. Sitharaman stressed on the need to address the competition issues arising out of them, by benchmarking against best practices at the global level. She said that a proactive CCI brings in confidence in the minds of people who want to access it for relief and will help people well prior to issues going out of hand.

For details:

<https://www.cci.gov.in/media-gallery/press-release/details/253/0>

International Business News

Info Capsule Series 13

India's merchandise exports during January-June 2022 stood at \$ 235.7 billion as compared to \$ 185.9 billion during the same period of the previous year, according to data shared by the Ministry of Commerce & Industry (July 25, 2022)

India's merchandise imports during January-June 2022 was USD 361.1 billion as compared to \$ 258.6 billion during the same period of the previous year. Barring a few sectors, all major sectors showed a positive trend with an overall growth rate of 26.7 percent.

For details:

<https://www.indiablooms.com/finance-details/16549/india-s-2022-half-yearlymerchandise-exports-increase-to-235-7-billion.html>

How will India's International Bullion Exchange (IIBX) work (July 28, 2022)

Prime Minister Narendra Modi will on Friday, July 29, 2022 will launch India's first bullion exchange, India International Bullion Exchange (IIBX), in GIFT city in Gujarat. The exchange, which was announced in Budget 2020, will sell physical gold and silver. According to a report by the Indian Express, infrastructural arrangements to store these precious metals have already been made.

For details:

https://www.business-standard.com/article/markets/explained-how-will-india-s-international-bullion-exchange-iibx-work-122072800958_1.html

India's International Tourism to Double and Surpass \$42 Billion by 2024 : Report (August 07, 2022)

Outbound trips from India will surpass \$42 billion by 2024 and the government could bring about certain policy changes to boost this growing market, a report said. The report titled 'Outbound Travel and Tourism - An Opportunity Untapped' by Nangia Andersen LLP in association with FICCI, highlights the up-and-coming Indian travel market and outline a framework for creating a more value for money experience for Indian tourists and travellers.

For details:

<https://www.ndtv.com/business/indias-outbound-tourism-tosurpass-usd-42-bn-by-2024-report-3233295>

India's engineering goods exports grow 0.2 pct in July (August 23, 2022)

India's exports of engineering goods grew marginally by 0.20 percent in July, compared to the same month last year, as a weak demand was witnessed from the European Union and China, said a statement from the Engineering Export Promotion Council (EEPC) India on Tuesday, August 23, 2022.

India, 9 other countries eye Lankan market to sell petroleum items: Report (August 29, 2022)

Sri Lanka's Ministry of Power and Energy has said that 24 companies from 10 countries, including India have evinced interest in selling petroleum products in the crisis-hit country's petroleum sector, according to media reports. Sri Lanka is in the midst of its worst economic crisis in decades, which is triggered by a severe paucity of foreign exchange reserves.

For details:

https://www.business-standard.com/article/international/24-firms-from-10-nations-seek-to-sell-petroleum-products-in-lanka-report-122082900426_1.html

Indian rupee marks biggest gain in one year on strong foreign inflows (August 30, 2022)

The Indian rupee notched its biggest one-day gain in a year on Tuesday, August 30, 2022 against a wobbly dollar as local equities saw a rush of foreign investor inflows. The partially convertible rupee surged 0.6% to 79.45 in its best session since Aug. 27, 2021. The currency had hit a record low of 80.12 on Monday, August 29, 2022 but closed at 79.9625.

India wants to quadruple electronics biz in just four years (September 1, 2022)

India's Ministry of State for Electronics & Information Technology released a report this week exploring how the subcontinent might increase electronics production by roughly 400 percent and exports by an ambitious 750 percent by 2026. The target for electronics exports by 2026 is \$120 billion.

For details:

https://www.theregister.com/2022/08/31/india_electronics_report/

India is new major player in Russian oil market once dominated by China (September 01, 2022)

India has pushed into a corner of the Russian oil market once dominated by China, taking a record number of shipments of a Far Eastern grade as the fallout from Moscow's invasion of Ukraine reshapes trade flows. Six vessels hauling Russian crude known as ESPO were headed to refiners in the South Asian nation in August, according to traders and shipbrokers. That's the highest number of cargoes purchased by India since the stream was introduced, and accounts almost one-fifth of available monthly shipments.

For details:

https://www.business-standard.com/article/international/india-is-new-major-player-in-russian-oil-market-once-dominated-by-china-122090100583_1.html

Global trends, FIIs to drive India's stock markets this week: Analysts (September 04, 2022)

Indian equity markets are outperforming most of their global peers and trying to show resilience despite weak global cues. In the absence of major domestic events, equity markets will be driven by global trends, foreign fund flows and movement in the Brent crude oil, analysts said. The major global events this week are the European Central Bank interest rate decision and China's inflation rate, they added.

For details:

https://www.business-standard.com/article/markets/global-trends-fiiis-to-drive-india-s-stock-markets-this-week-analysts-122090400447_1.html

India's Merchandise Exports to rise over 11% to \$114 billion in July- September: Report (September 11, 2022)

India's merchandise exports are expected to grow by 11.4% to \$11.4 billion during July-September quarter of the current financial year, data from Exim Bank showed. However, the rise in exports during the second quarter of FY23 could be shadowed by softening digital global commodity prices.

For details:

<https://timesofindia.indiatimes.com/business/india-business/indias-merchandise-exports-to-rise-over-11-to-114-billion-in-july-september-report/articleshow/94128887.cms>

India is quietly laying claim to economic superpower status (September 12, 2022)

The rise of China has been the biggest story in the global economy in recent decades. But amid concern about its stumbling property market and global fears about inflation, the emergence of its neighbour, India, as a potential new economic superpower may be going under the radar.

For details:

<https://www.theguardian.com/world/2022/sep/12/india-is-quietly-laying-claim-to-economic-superpower-status>

SCO Summit: India makes its presence felt at the otherwise lacklustre Samarkand meet (September 19, 2022)

The 22nd summit meeting of the Shanghai Cooperation Organisation (SCO) had full attendance of the eight-member countries and several other observer nations, but its performance appeared to be quite lacklustre. Yet, India's participation was desirable and the 24-hour sojourn of Prime Minister Narendra Modi in Samarkand was meaningful for India's national interests and foreign policy goals.

For details:

<https://www.firstpost.com/opinion-news-expert-views-news-analysis-firstpost-viewpoint/scosummit-india-makes-its-presence-felt-at-the-otherwise-lacklustre-in-samarkand-meet11280151.html>

We're very ambitious about India, says International Finance Corporation MD (September 21, 2022)

The International Finance Corporation (IFC) is keen to double its lending in India to \$2.5-3 billion over the next couple of years, putting money in newer areas such as renewables, climate change themes, circular economy, and logistics. IFC's Managing Director Makhtar Diop backs a greater emphasis on the development agenda that includes supporting frontier states and helping MSMEs.

For details:

<https://economictimes.indiatimes.com/news/economy/finance/were-very-ambitious-aboutindia-says-international-finance-corporation-md/articleshow/94336220.cms>

Reasons Why India Beat China in the Number of Student Visas to the US (September 22, 2022)

The upsurge in the number of Indian students heading to the US was also speculated by some of the leading domestic study abroad counselling services. Jamboree Education also reported a sharp rise in the number of students applying to US universities for Business Analytics, Data Science, MIM, and STEM-based courses.

For details:

<https://www.outlookindia.com/business-spotlight/reasons-why-india-beat-china-in-the-number-of-student-visas-to-the-us--news-22482>

India defends decision to ban rice, wheat exports at WTO meeting (September 22, 2022)

India has defended its decision to ban export of wheat and rice at a WTO meeting even as some member countries have flagged concerns over the country's stand, an official said. At a meeting last week in Geneva, Senegal, the US and the European Union raised questions over this decision, stating it could have adverse implications on global markets. In May, India restricted export of wheat to enhance domestic availability. This month, it also banned export of broken rice and imposed a 20 per cent export duty on non-Basmati rice except for parboiled rice to boost domestic supplies amid a fall in area under paddy crop in the current kharif season.

For details:

https://www.businessstandard.com/article/currentaffairs/india-defends-decision-to-ban-rice-wheat-exports-at-wtomeeting-122092200440_1.html

'India has a big role to play': New Delhi is trying to turn the country into a chip powerhouse (September 25, 2022)

India could have a large role to play in the semiconductor industry, analysts say, as the world's fifth-largest economy looks to boost its domestic chip sector. Along with other countries like the U.S., India has been looking to forge strategic alliances around semiconductors, a critical technology that goes into many of the devices we use from smartphones to refrigerators.

For details:

<https://www.cnn.com/2022/09/26/how-india-is-trying-to-turn-itself-into-a-semiconductor-powerhouse.html>

India's defence exports jumps 334% in last 5 years; supplies to 75 countries (September 26, 2022)

The Indian defence ecosystem is spreading its arms overseas as military exports have jumped by 334% in the last five years, which involves supplies of arsenals to more than 75 countries around the globe. With collaborative efforts, India has taken several policy initiatives in the past few years to amplify its indigenous design, development, and manufacture of defence equipment, to make world-class military apparatus.

For details:

<https://newsonair.com/2022/09/26/indias-defence-exports-jumps-334-in-last-5-yearssupplies-to-75-countries/>

How resilient is the growth in India's merchandise exports? (September 27, 2022)

India achieved record levels of growth in merchandise exports during 2021-22, surpassing the target set by the Government of India (GOI) to reach \$422 billion. Merchandise exports registered a double-digit growth rate of 44.6 percent during 2021- 22, far outpacing the growth in global merchandise exports of 26.3 percent during the same period. This was seen even in the most recent quarter ended-June 2022.

For details:

<https://www.moneycontrol.com/news/opinion/how-resilient-is-the-growth-in-indiasmerchandise-exports-9239361.html>

India exports 109.8 lakh tonnes of sugar in 2021-22, becomes world's 2nd largest exporter, says Govt. (October 5, 2022)

India's sugar exports jumped 57 per cent to 109.8 lakh tonnes during 2021-22 marketing year ending September, making the country world's 2nd largest exporter of sugar, the food ministry said on Wednesday, October 5, 2022.

For details:

<https://economictimes.indiatimes.com/news/economy/foreigntrade/india-exports-109-8-lakhtonnes-of-sugar-in-2021-22- becomes-worlds-2nd-largestexporter-saysgovt/articleshow/94665562.cms>

India-UK trade deal could boost garment exports by 10% (October 6, 2022)

India and the UK are expected to enter a Fair Trade Agreement (FTA) after the Indian festival of Deepavali this month, which could raise garment exports from knitwear hub Tirupur by 10%. The FTA is expected to boost exports from the current Rs. 33,000 crore (US\$330bn) annually to Rs. 50,000 crore (\$500bn) by 2025, according to A Shaktivel, President of India Knit Fair Association.

For details:

<https://www.just-style.com/news/india-uk-trade-deal-could-boost-garment-exports-by-10/>

Business and Economic News

Info Capsule Series 13

World Bank appoints Indian national Indermit Gill as Chief Economist (July 25, 2022)

The World Bank has appointed Indermit Gill, an Indian national, chief economist and senior vice-president for development economics at the multilateral development bank. His appointment will be effective September 1, 2022. Gill will be only the second Indian to serve as chief economist at the World Bank. Kaushik Basu was the first, having served in the job from 2012-2016. Raghuram Rajan and Gita Gopinath have served as chief economists at the International Monetary Fund, the sister organisation of the World Bank.

For details:

https://www.business-standard.com/article/current-affairs/world-bank-appoints-indiannational-indermit-gill-as-chief-economist-122072501308_1.html

PM Narendra Modi to launch international bullion exchange on July 29 (July 26, 2022)

Prime Minister Narendra Modi will launch the country's first international bullion exchange at Gujarat International Finance Tec-City (GIFT City) on Friday. He will also lay the foundation stone of the unified regulator International Financial Services Centres Authority's headquarters building. The prime minister, during his visit, will launch the India International Bullion Exchange (IIBX), which will facilitate efficient price discovery with the assurance of responsible sourcing and quality, apart from giving impetus to the financialisation of gold in India.

For details:

https://www.business-standard.com/article/current-affairs/pm-narendra-modi-to-launchinternational-bullion-exchange-on-july-29-122072501153_1.html

Research finds bacteria can remove plastic pollution from lakes (July 27, 2022)

A research study involving 29 European lakes has found that some naturally-occurring freshwater bacteria grow faster and more efficiently on the remains of plastic bags than they do on plant matter like leaves and twigs. The scientists behind the research believe that enriching water bodies with these species of bacteria could be a way to remove plastic pollution from the environment.

For details:

<https://indianexpress.com/article/technology/science/research-finds-bacteria-can-remove-plastic-pollution-from-lakes-8054781/>

Cabinet nod to Rs 1.64 lakh crore BSNL revival package (July 27, 2022)

The Union Cabinet on Wednesday approved a Rs. 1.64 lakh crore package for the revival of state-owned telecom firm BSNL. The revival measures approved by the Cabinet focus on fresh capital for upgrading services, allocating spectrum, de-stressing its balance sheet and augmenting its fiber network by merging Bharat Broadband Nigam Ltd with BSNL.

For details:

<https://www.indiatoday.in/business/story/cabinet-nod-to-rs-1-64-lakh-crore-bsnl-revivalpackage-1980660-2022-07-27>

Co-founder & tech team head Bhavik Koladiya quits BharatPe (August 03, 2022)

BharatPe co-founder Mr. Bhavik Koladiya, who was working with the payments company as a consultant overseeing its technology and product functions, has resigned. "Mr. Bhavik Koladiya has been associated with BharatPe as an independent consultant, guiding our product and technology teams. His contract tenure ended on July 31, 2022, and he expressed his desire to spend time on other assignments outside BharatPe," the company said in a statement on August 02, 2022.

For details:

<https://indianexpress.com/article/business/companies/co-founder-tech-team-head-bhavik-koladiya-quits-bharatpe-8067449/>

IT Ministry to conduct quarterly audit of compliance by social media firms (August 04, 2022)

The Ministry of Electronics and IT (Meity) will now conduct compliance audits of social media companies every quarter, an official source said on August 04, 2022. At present, social media platforms are required to disclose their compliance with IT Rules 2021 every month where they disclose action taken by them in response to various grievances. "Meity has now put in place a mechanism to audit compliance of social media intermediaries under IT Rules every quarter. As part of the audit, the Ministry will verify if social media companies are reporting about grievances raised to them correctly and if their action taken is in sync with the laid out Rules," the source told PTI.

For details:

https://www.business-standard.com/article/pti-stories/it-ministry-to-conduct-quarterlyaudit-of-compliance-by-social-media-firms-122080400419_1.html

Government hopes inflation eases to 6% on lower int'l prices (August 12, 2022)

The government expects inflation to ease to 6% levels in the coming months on softening global commodity prices. It also expects a further pickup in the collection of goods and services tax (GST) to around Rs 1.7 lakh crore a month. The statement by a top finance ministry official comes a day after the US reported a moderation in inflation to 8.5% in July, from 9.1% in the previous month, generating positive sentiments in global markets. The RBI expects inflation to moderate to 5.8% during the January-March quarter of financial year 2022-23.

For details:

<https://timesofindia.indiatimes.com/business/indiabusiness/government-hopes-inflation-eases-to-6-on-lower-intl-prices/articleshow/93510170.cms>

Sensex back above 59k as slower US inflation lifts global markets (August 12, 2022)

A fall in the US inflation rate, although marginally, led to a rally on Wall Street on Wednesday, 10th August, 2022 night which also lifted investor sentiment on Dalal Street on Thursday, 11th August, 2022. As a result, the sensex rallied over 1% intraday to nearly 59.5k in early trades and closed 515 points up at 59,333 with HDFC and HDFC Bank leading. The close for the day was a four-month high for the index. Strong buying in some of the large Asian markets also helped the domestic rally, market players said.

For details:

<https://timesofindia.indiatimes.com/business/india-business/sensex-back-above-59k-as-slower-us-inflation-lifts-global-markets/articleshow/93510580.cms>

No income tax payers in Atal Pension Yojana from October 1, 2022 (August 12, 2022)

Those who pay income tax will not be allowed to enrol in the government's social security scheme Atal Pension Yojana (APY) from October 1, 2022. The finance ministry said the move is to ensure better targeting of pension benefits to underserved sections of the population. The government had introduced APY in June 2015, to provide social security to workers mainly in the unorganised sector. Subscribers of the scheme get a minimum guaranteed pension of Rs 1,000-5,000 per month. In case a subscriber, who joined after October 1, 2022 is found to have been an income tax payer on or before the date of application, the account shall be closed and the accumulated pension wealth till date would be given.

For details:

<https://timesofindia.indiatimes.com/business/india-business/no-taxpayers-in-atalpension-yojana-from-oct/articleshow/93511441.cms>

7% Indians own crypto, 7th highest globally: UN (August 12, 2022)

About 7.3% of India's population owns digital currency, according to the UN, which said that the use of cryptocurrency rose globally at an unprecedented rate during the pandemic. The UN trade and development body UNCTAD said that in 2021, developing countries accounted for 15 of the top 20 economies when it comes to the share of the population that owns cryptocurrencies. India ranked seventh among global economies in digital currency ownership as a share of population.

For details:

<https://timesofindia.indiatimes.com/business/cryptocurrency/bitcoin/7-indians-own-crypto-7th-highest-globally-un/articleshow/93509467.cms>

What will it take to make India a developed nation in the next 25 years? (August 16, 2022)

75 years ago, Shri Jawaharlal Nehru had addressed the nation from here as he laid the foundation of a new nation. And on August 15, 2022 when Prime Minister Shri Narendra Modi addressed the country from the ramparts of the Red Fort, he laid the foundation of the next 25 years. First, to move forward with bigger resolves and the resolve of a developed India. Second, to erase all traces of servitude. Third, to be proud of India's legacy. Fourth, to focus on India's unity, which is its strength. And fifth, to fulfil the duties of citizens with honesty.

For details:

https://www.business-standard.com/podcast/current-affairs/what-will-it-take-to-makeindia-a-developed-nation-in-the-next-25-years-122081600058_1.html

Government plans 'leniency plus' regime for strict probe into cartels: Report (August 16, 2022)

The Central Government is planning to introduce a "leniency plus" programme in a bid to encourage companies, under investigation for one cartel, to report other cartels that are not known to the competition regulator. The "leniency plus" programme – a new cartel detecting tool – under the recent Competition (Amendment) Bill 2022 was introduced in the Lok Sabha during the recently concluded Monsoon Session.

For details:

https://www.business-standard.com/article/companies/govt-plans-leniency-plus-regimefor-strict-probe-into-cartels-report-122081600556_1.html

CCPA penalises 'Flipkart' for selling sub-standard Pressure Cookers to consumers; to pay penalty of ₹ 1 Lakh (August 17, 2022)

The Central Consumer Protection Authority (CCPA) passed an order on violation of consumer rights by e-commerce platform 'Flipkart' for allowing sale of domestic pressure cookers in violation to mandatory standards. Headed by Chief Commissioner Mrs. Nidhi Khare, the CCPA has directed Flipkart to notify consumers of all 598 pressure cookers sold on its platform, recall the pressure cookers and reimburse their prices to the consumers and submit a compliance report of the same within 45 days. The company has also been directed to pay a penalty of ₹1,00,000 for allowing sale of such pressure cookers on its e-commerce platform and violating rights of consumers.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1852508>

Freebies, welfare schemes must be differentiated, says Supreme Court (August 18, 2022)

Continuing with its hearing on the freebies matter, the Supreme Court on August 17, 2022 observed that the difference between what can be termed freebies or welfare measures needs to be determined. The matter will be heard again on August 21, 2022. The court said that the term freebies should not be confused with welfare measures. A bench of judges heard the plea seeking directions to political parties to not promise and distribute freebies to voters.

For details:

https://www.business-standard.com/article/current-affairs/freebies-welfare-schemesmust-be-differentiated-says-supreme-court-122081800046_1.html

50% directors of Unitech board resign (September 02, 2022)

Over two years after the Supreme Court ordered an overhaul of the Unitech board, half the directors have resigned due to a lack of progress in the delivery of flats to over 1000 homebuyers, some of whom booked these apartments more than a decade ago.

For details:

<https://timesofindia.indiatimes.com/business/indiabusiness/50-directors-of-unitech-boardresign/articleshow/93938066.cms>

Shri Nitin Gadkari calls for reduction in road accidents and deaths by 50% by 2024 (September 08, 2022)

Union Minister for Road Transport and Highways Shri Nitin Gadkari called upon all the state transport ministers and officials to work together to reduce road accidents and deaths by 50% by 2024. In an interactive session with the state transport Ministers in Bengaluru today Shri Gadkari said Issue of road safety should not be taken lightly. He said road accidents should be reviewed constantly and rectified. The Minister proposed training engineering students for conducting safety audits of the roads on the basis of which action can be taken by the Ministry.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1857906>

India to join three of four IPEF 'pillars': (September 08, 2022)

Signaling its political and strategic commitment to the world's newest economic architecture in the Indo-Pacific, and in keeping with its national priorities, India is set to join three of the four pillars of the Indo-Pacific Framework (IPEF) at the framework's first in-person ministerial summit in Los Angeles, people familiar with the development said.

India has decided to become part of resilient economy (supply chain), clean economy (decarbonisation and infrastructure), and fair economy (anti-corruption and tax) components of the framework, but it will not join the connected economy (trade) pillar of IPEF.

India believes that participating in the pillars will help give it a seat at the global rulemaking high table as newer economic arrangements are designed and will boost its own engagement with other Indo-Pacific economies. The pillars also align with India's own national goals of securing supply chains and reducing dependence on China, ensuring a just energy transition while building infrastructure and pursuing development objectives, and be at the cutting-edge of clean and transparent economic arrangements while tackling corruption and opaque practices that give countries such as China an asymmetric and unfair advantage, people familiar with India's approach said.

For details:

<https://www.hindustantimes.com/india-news/india-to-join-three-of-four-ipef-pillars-101662663955445.html>

Tata group in talks with Bisleri to acquire a stake in company: Report (September 12, 2022)

Tata Group is understood to have initiated talks with Bisleri International to acquire a stake in the packaged water company, according to sources. The Tata Group houses its consumer business under Tata Consumer Products Ltd (TCPL) which also sells packaged mineral water under the brand Himalayan and with brands as Tata Copper Plus Water and Tata Gluco+ in the hydration segment.

For details:

https://www.businessstandard.com/article/companies/tata-group-in-talks-with-bisleri-to-acquire-a-stake-in-company-report122091201061_1.html#:~:text=Tata%20Group%20is%20understood%20to,know%20of%20the%20development%20said.

Multi-modal transport to pivot National Logistics Policy, boost export edge (September 18, 2022)

Multi-modal integration along with digitisation and centre-state cooperation on the same, forms the core of the National Logistics Policy (NLP), launched by Prime Minister Narendra Modi on Saturday. In line with previous plans such as the National Rail Plan and Maritime India Vision, NLP intends to bring sweeping changes in the current costly, polluting, and congesting modal mix of Indian logistics.

It is expected to facilitate a modal shift in logistics from the current over dependence on roads (over 60 per cent share currently versus 25 per cent globally) to railways (30 per cent currently vis-a-vis 60 per cent globally) and waterways (5 per cent currently). Multi-trillion flagship projects such as Sagarmala, Bharatmala, and dedicated freight corridors are already working in this direction.

For details:

https://www.business-standard.com/article/economy-policy/multi-modal-transport-to-pivot-the-national-logistics-policy-122091800618_1.html

GeM Seller Samvad held in Mumbai (September 19, 2022)

A number of Government e-Marketplace vendors shared their experiences in GeM Seller Samvad held in Mumbai on September 19, 2022. This gave an opportunity to the GeM sellers to learn about the new GeM features and functionalities that further makes it conducive for them to operate on the portal. GeM's Business Facilitator for Maharashtra and Daman and Diu Nikhil Patil informed that the GeM portal is not only limited to Central Government offices. It provides a one-stop online procurement portal for all Government Buyers including Central/State Ministries, Departments, Bodies & PSUs. All states (except Sikkim) have entered into a MoU with GeM, thereby facilitating businesses from all around the country to do business with Government departments located all over India, even in remote corners.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1859344>

'Make in India' completes 8 years, annual FDI doubles to USD 83 billion (September 24, 2022)

Make in India, the flagship program of the Government of India that aspires to facilitate investment, foster innovation, enhance skill development, and build best-in-class manufacturing infrastructure, completes 8 years of pathbreaking reforms on 25th September 2022.

Launched in 2014 under the dynamic leadership of the Hon'ble Prime Minister Shri Narendra Modi, 'Make in India' is transforming the country into a leading global manufacturing and investment destination. The initiative is an open invitation to potential investors and partners across the globe to participate in the growth story of 'New India'. Make in India has substantial accomplishments across 27 sectors. These include strategic sectors of manufacturing and services as well.

To attract foreign investments, Government of India has put in place a liberal and transparent policy wherein most sectors are open to FDI under the automatic route. FDI inflows in India stood at US \$ 45.15 billion in 2014-2015 and have since consecutively reached record FDI inflows for eight years. The year 2021-22 recorded the highest ever FDI at \$83.6 billion. This FDI has come from 101 countries, and invested across 31 UTs and States and 57 sectors in the country. On the back of economic reforms and Ease of Doing Business in recent years, India is on track to attract US\$ 100 Bn FDI in the current FY.

For details:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1861929>

Cabinet approves Multi-State Cooperative Societies (Amendment) Bill 2022, to bring transparency in doing business (October 13, 2022)

The union cabinet approves the multi-state cooperative societies (amendment) act on October 12, 2022. The decision was made to improve the ease of doing business, increase financial discipline, and practice raising funds in multi-state cooperative societies. The amendment bill movement was taken to make the governance of multi-State Cooperative societies more transparent, accountable, and democratic.

For details:

<https://www.jagranjosh.com/current-affairs/cabinetapproves-multi-state-cooperative-societies-amendment-bill2022-to-bring-transparency-in-doing-business-1665644756-1>

Finance Minister Nirmala Sitharaman calls for effective tax reporting regime (October 14, 2022)

Finance Minister Nirmala Sitharaman called for an effective tax reporting regime and information exchange between jurisdictions for crypto assets to combat offshore tax evasions. Participating in the G20 Finance Ministers and Central Bank Governors meeting here on the sidelines of the annual meetings of the IMF and the World Bank, Sitharaman intervened on a number of critical issues, including infrastructure, investments and international taxation. On scaling up sustainable and digital infrastructure investments, she highlighted the need to leverage private sector participation. She also spoke on mobilising finance at subnational level for inclusive and quality infrastructure. The last session of the ongoing G20 meeting saw discussions on the progress made on the agenda of international taxation during this year.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/finance-minister-nirmala-sitharaman-calls-for-effective-taxreporting-regime/articleshow/94845388.cms>

International Financial Services Centres Authority

Info Capsule Series 13

IFSCA Issued Guidelines and Application Form for IFSCA FinTech Incentive Scheme, 2022 (September 12, 2022)

The International Financial Services Centres Authority (IFSCA) launched the IFSCA (FinTech Incentive) Scheme for providing financial support to FinTech activities in the form of specific grant(s). The Scheme was notified vide Gazette Notification dated 2nd February, 2022. Now, the detailed Guidelines of the Scheme for implementation as well as the Application Form have also been issued and may be accessed at <https://ifsc.gov.in/Viewer/Index/343>

For details: <https://ifsc.gov.in/Viewer/PressReleases/344>

MAS and IFSCA to Pursue Cross-border FinTech Innovations (September 18, 2022)

The Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) today signed a FinTech Co-operation Agreement (CA) to facilitate regulatory collaboration and partnership in FinTech. The CA will promote the following:

- **Regulatory Sandbox Collaboration** - MAS and IFSCA will leverage existing regulatory sandboxes in their respective jurisdictions to support experimentation of technology innovations. This includes referral of companies to each other's regulatory sandboxes and enable innovative cross-border experiments in both jurisdictions. The CA will also allow MAS and IFSCA to evaluate the suitability of use cases which could benefit from collaboration across multiple jurisdictions, and invite relevant jurisdictions to participate in a Global Regulatory Sandbox.
- **Sharing of Information** - MAS and IFSCA will share non-supervisory related information and developments on innovation in financial products and services, facilitate discussions on emerging FinTech issues and participate in joint innovation projects.

Environmental Laws

Info Capsule Series 13

Amendment to Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (July 21, 2022)

Ministry of Environment, Forest and Climate Change has issued the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022. The amendment is mainly related to management of waste tyre and Extended Producer Responsibility (EPR) for Waste Tyre.

Technology and Automation

Info Capsule Series 13

Digital maturity is a journey with moving goalposts, shows data (July 24, 2022)

Nasscom and Avasant's Digital Enterprise Maturity 3.0 – Boosting Business Resilience Through Technology report is an in-depth analysis of the practices of 550 global enterprises at varying levels of digital maturity. The study reveals nuances of what makes a mature digital enterprise, while also establishing the fact that digital maturity is a journey with moving goalposts. Assessing such complex endeavours will also require the current maturity index to evolve over time. Digital transformation has evolved from “nice-to-have” to “need-to-have”.

For details:

https://www.business-standard.com/article/technology/digital-maturity-is-a-journey-with-moving-goalposts-shows-data-122072400676_1.html

Gmail brings new layout to all users: Here's what to expect (July 28, 2022)

Google has been changing the user interface for many of its popular tools, but at the forefront of these changes seem to be Gmail, which has been rolling out a major visual revamp for users. The new Gmail layout brings other Google communication and productivity tools like Meet, Chat and Spaces together and includes Material Design 3. If you've used Gmail recently, you may have already stumbled upon a prompt asking you to try out the new layout.

For details:

<https://indianexpress.com/article/technology/tech-news-technology/gmail-brings-newlayout-to-all-users-heres-what-to-expect-8056185/>

With Google Maps new feature, your family can get alerts when you leave and arrive at locations (July 28, 2022)

Google Maps has received a bunch of updates recently. Indian users have finally received the Street View on Google Maps but there are a couple of updates such as the immersive view, new cycling route information as well as the location sharing information. Google Maps already allows users to share their locations but the new feature will let users send alerts to their contacts when they have arrived or left a destination.

For details:

<https://www.indiatoday.in/technology/news/story/with-google-maps-s-new-featureyour-family-can-get-alerts-when-you-leave-and-arrive-at-locations-1981019-2022-07-28>

India has an EV super app coming: Govt working on one-stop shop for all key info (August 02, 2022)

To accelerate adoption of electric vehicles and ease range anxiety of end users, the government is working on launching a master app to act as a one-stop shop that will provide information on location and availability of vehicle charging stations. State-run Convergence Energy Services Limited (CESL) is in the process of collating information from the private sector for the super app, which is scheduled to go live in the next 4-6 weeks. The app will detail availability, charger types and charging tariffs, allowing users to make and change reservations at nearby stations.

For details:

<https://economictimes.indiatimes.com/industry/renewables/india-has-an-ev-super-appcoming-govt-working-on-one-stop-shop-for-all-key-info/articleshow/93306867.cms>

5G rollout to start this month in India: Three things to know before you get excited (August 12, 2022)

Indian telcom players are getting ready to announce an official rollout of 5G networks in the country, bringing faster data speeds for users and opening many new use cases. Airtel has already confirmed that it will begin its 5G rollout before the end of the month, while Reliance Jio is reportedly expected to make an announcement this Independence Day.

For details:

<https://indianexpress.com/article/technology/techook/5grollout-this-month-3-things-toknow-before-you-get-excited8085816/>

What is a Virtual Mobile Number? Benefits, usage and other details (August 16, 2022)

As people work away from their offices, landlines aren't enough to communicate with colleagues and customers. A virtual mobile number is one tool helps businesses communicate in a seamless and cost-effective manner. A virtual phone number is a telephone number that is not tied to a physical location or a specific device. Virtual mobile numbers do not rely on a service provider or phone company, but work through the internet. These are largely used by businesses to connect with their customers and run their accounts on platforms like WhatsApp.

For details:

https://www.business-standard.com/article/technology/what-is-a-virtual-mobile-numberbenefits-usage-and-other-details-122081600957_1.html

India's first Hydrogen fuel cell bus: What is hydrogen fuel cell technology? (August 22, 2022)

A hydrogen fuel cell bus developed by KPIT-CSIR in Pune was unveiled by Shri Jitendra Singh, Union Minister of State for Science and Technology, on August 21, 2022. The hydrogen fuel cell uses hydrogen and air to generate electricity, producing only heat and water in the process. Hydrogen fuel cells like the one present in the bus produce electricity by combining hydrogen and oxygen atoms. The two gases react across an electrochemical cell similar to a conventional battery cell to produce electricity, water and small amounts of heat. This electricity is then used by electric motors to propel the vehicle forward.

For details:

<https://indianexpress.com/article/technology/science/hydrogen-fuel-cell-electric-bus8104087/>

Jio 5G launching in 4 metro cities this Diwali, but there's still time until everyone gets it (August 30, 2022)

Reliance Jio on August 30, 2022 announced Jio 5G services at its Annual General Meeting 2022. Reliance Industries chairman Mr. Mukesh Ambani confirmed that Jio's 5G services will launch only for 4 major metro cities initially and other parts of the country will get by later next year.

For details:

<https://www.indiatoday.in/technology/news/story/jio-5glaunching-in-4-metro-cities-this-diwali-but-there-s-stilltime-until-everyone-gets-it-1994345-2022-08-30>

CERT-In hosts Cyber Security Exercise "Synergy" for 13 countries as part of International Counter Ransomware Initiative Resilience Working Group (August 31, 2022)

Indian Computer Emergency Response Team (CERT-In) under Ministry of Electronics & IT, Government of India, in collaboration with Cyber Security Agency of Singapore (CSA), August 31, 2022, successfully designed & conducted the Cyber Security Exercise "Synergy" for 13 Countries as part of the International Counter Ransomware Initiative Resilience Working Group which is being led by India under the leadership of National Security Council Secretariat (NSCS).

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1855771>

What are web intelligence tools that SEBI wants to use for surveillance (September 20, 2022)

Market regulator, the Securities and Exchange Board of India (SEBI), has reportedly decided to deploy a 'web intelligence tool' to increase surveillance of social media and other online platforms. The intention is to probe violations of securities laws by individuals, groups, and other entities.

For details:

https://www.business-standard.com/article/technology/what-are-web-intelligence-tools-that-sebi-wants-to-use-for-surveillance-122092000415_1.html

Government mandates registration of IMEI number of all mobile phones before sale in India starting 2023 (September 27, 2022)

The Government has made the registration of IMEI number of all mobile phones mandatory before their sale in India on its anti-counterfeit and lost handset blocking portal from January 01, 2023. According to a notification dated September 26, all mobile phones, whether made locally or imported, will need to be registered and get IMEI (International Mobile Equipment Identity Number) certificates from the Indian Counterfeited Device Restriction portal that is run by the Department of Telecommunications.

For details:

<https://gadgets360.com/mobiles/news/government-mandates-registration-imei-numbermobile-phone-before-sale-india-2023-3383355>

5G Now in India: Delhi Airport Terminal 3 is now 5G-ready for fliers (September 29, 2022)

5G launch in India is just a few weeks away, and now the Delhi Airport Terminal 3, the international airport, will be the first 5G-ready airport in India. Delhi Airport has also said that 5G services will be rolled out across the country from October 01, 2022 onwards, which has been the expected timeline for the past few weeks.

For details:

<https://www.news18.com/news/tech/5g-now-in-india-delhi-airport-terminal-3-is-now-5gready-for-fliers-6062479.html>

Meta warns against Android, iOS apps that are stealing users' Facebook password: Full list (October 07, 2022)

Facebook parent Meta has identified over 400 Android and iOS apps that are stealing Facebook users' login credentials. The company has also shared the full list of these apps to warn users, since many of these applications could be available on third-party app stores. Many of the identified apps claim to offer photo editing tools, VPN services, and other utilities. Some of them are also games that require users to share their personal information. Meta says most of the identified malicious apps offer a fake 'Login with Facebook' prompt to extract user IDs and passwords.

For details:

<https://www.indiatoday.in/technology/news/story/meta-warnsagainst-android-ios-apps-that-arestealing-users-facebook-passwordfull-list-2009487-2022-10-07>

Experts discuss significance of geospatial information for supporting sustainable development (October 13, 2022)

Experts discussed how enabling people with geospatial information is crucial for supporting sustainable development and the wellbeing of society, as well as for dealing with environmental and climate challenges through digital transformation and technological development at the Second United Nations World Geospatial Information Congress (UNWIGIC).

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1867504>

Ministry of Environment, Forest and Climate Change

Info Capsule Series 13

Recycling of e-Waste (August 8, 2022)

The Government has taken a number of steps to formalise the e-waste recycling sector of the country. The E-Waste (Management) Rules, 2016 provide for compulsory registration of the recycling units and Central Pollution Control Board (CPCB) has issued guidelines/Standard Operating Procedures (SoPs) for processing of e-waste. The E-Waste (Management) Rules, 2016 also provide for recognition and registration, skill development, monitoring and ensuring safety and health, of workers involved in dismantling and recycling of e-waste. Under the E-Waste Management Rules, provision for reduction of hazardous substances in manufacturing of Electrical and Electronic Equipment (EEE) has been provided. It mandates that every producer of EEE and their components shall ensure that their products do not contain lead, mercury and other hazardous substances beyond the maximum prescribed concentration.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1849863>

Food Safety and Standard Authority of India

Info Capsule Series 13

Amendments to Food Safety Regulations (August 30, 2022)

Food Safety and Standard Authority of India (FSSAI) has amended Food Safety and Standards (Foods for Infant Nutrition) Regulations, 2020 (FIN regulations) and Food Safety and Standards (Packaging) Regulations, 2018 (Packaging Regulations). These amendments inter alia provides the provisions relating to increase in the maximum limit of Vitamin B12 in infant formula under FIN regulations and addition of "Antimony & Phthalic acid" in the list of Requirements for specific migration limits of substances from plastic materials intended to be in contact with articles of food under Packaging Regulations.

For details:

<https://egazette.nic.in/WriteReadData/2022/238485.pdf>

<https://egazette.nic.in/WriteReadData/2022/238486.pdf>

Labour Laws

Info Capsule Series 13

New Wage Code (July 25, 2022)

The Code on Wages, 2019, has been notified on 08 August 2019, and the provisions of the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976, have been rationalised and subsumed therein. The Code provides for universal minimum wage across employments in organized and unorganized sector. The Code mandates the Central Government to fix floor wage and that the minimum rates of wages fixed by the appropriate Governments shall not be less than the floor wage. The Code prohibits gender discrimination in matters related to wages and recruitment of employees for the same work or work of similar nature done by an employee. Every employee, drawing wages not exceeding a monthly amount as notified by the Central or State Government, and having put in at least 30 days of work in an accounting year, will be entitled to an annual bonus at the rate of 8.33% of wages earned or Rs. 100, whichever is higher.

“Labour” as a subject is in the Concurrent List of the Constitution of India and under the Codes, the power to make rules is vested with the Central Government as well as the State Governments as appropriate Government. As a step towards implementation of the four Labour Codes, the Central Government has pre-published the draft Rules, inviting comments of all stakeholders. As per available information, 31, 26, 25 and 25 States/Union Territories have pre-published the draft Rules under the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety Health and working Conditions Code, 2020 respectively.

The Labour Codes were drafted after wide consultations including nine tripartite meetings involving employers’ and workers’ representatives, regional Labour Conferences, interMinisterial consultations and based on reports of the Parliamentary Standing Committee on Labour. The endeavor has been to align the Labour Codes with the present economic scenario and technological advancements along with reduction in multiplicity of definitions & authorities. The Codes tend to ease compliance mechanism aiming to promote ease of doing business/setting up of enterprises, attract investment and catalyze creation of employment opportunities while ensuring safety, health and social security of every worker. Use of technology has been introduced in order to ensure transparency & accountability in enforcement. Decriminalization of minor offences has also been provided in the Labour Codes.

This information was given by the Minister of State for Labour & Employment, Shri Rameswar Teli in a written reply in Lok Sabha.

For details:

<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1844649>

Legal News

Info Capsule Series 13

e-Court Mission Mode Project(August 05, 2022)

As part of the National e-Governance Plan, the e-Court project is an integrated Mission Mode Project under implementation since 2007 for ICT development of the Indian Judiciary based on the “National Policy and Action Plan for Implementation of Information and Communication Technology in the Indian Judiciary”. The e-Court Integrated Mission Mode Project was launched with the objective of improving access to justice using technology. The Phase I of e-Courts was concluded in 2015 in which 14,249 Court sites were computerized. Under Phase II, 18,735 District & Subordinate courts have been computerised so far.

In the Phase II of the e-Courts project, out of total outlay of Rs. 1670 crore, the Government has released a sum of Rs. 1668.43 crore as on 31.03.2022 to various organizations involved in the implementation of the project. 18735 District and Subordinate Courts are computerized and are ICT enabled under e-Courts phase-II so far.

The steps taken to provide efficient and time bound access to citizen centric services of courts to plaintiffs having no access to internet and facing digital divide:

1. eSewa Kendras have been rolled out to bridge the digital divide by providing e-filing services to lawyers and litigants.
2. Using SMS pull facility stakeholders can receive case status by sending sixteen characters CNR number of a case to the number 97668-99899.
3. SMS push facility is provided to stakeholders like litigants and advocates to get SMS on the occurrence of each event in a case like filing, registration, adjournment, scrutiny, listing, transfer of the case, disposal, uploading of orders etc., on their mobile registered with the court.
4. Service desk to be set up for internal stakeholders to get the relevant information.
5. Kiosks are installed at various court complexes across the country. Litigants and advocates can view case status, cause lists etc., on the kiosk. The same information can also be obtained from the Judicial Service Centre established at each court complex.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1848737>

Other News

Info Capsule Series 13

Providing technical education in mother tongue in NEP (August 03, 2022)

In alignment with the National Education Policy (NEP) 2020 to impart education in the Indian languages for an improved understanding and improved teaching-learning outcome, the All India Council for Technical Education (AICTE) has initiated technical education in Indian Languages in the year 2021-22. To provide the engineering course material in Indian Languages, AICTE has introduced “AICTE Technical Book Writing and Translation” in 12 scheduled Indian languages namely Hindi, Marathi, Bengali, Tamil, Telugu, Gujarati, Kannada, Punjabi, Odia, Assamese, Urdu and Malayalam. For the translation, AICTE has also developed a tool called ‘AICTE Translation Automation Artificial Intelligence Tool’ to translate English Language online courses into different languages.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1847870>

Extension of validity of Status Certificates issued in FY 2015-16 and 2016-17 under current FTP (August 05, 2022)

In exercise of powers conferred under paragraph 1.03 and 2.04 of the Foreign Trade Policy (2015-2020), as amended from time to time, Director General of Foreign Trade hereby makes the following amendments in para 3.20 (a) of the Handbook of Procedures, 2015-20 with immediate effect:

Existing para 3.20 (a) of HBP:

Validity of status certificate

(a) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed or 30.06.2022 only whichever is later.

Amended para 3.20 (a) of HBP:

Validity of status certificate

(a) Status Certificates issued under this FTP shall be valid for a period of 5 years from the date on which application for recognition was filed or 30.09.2022 only whichever is later. **Effect of Public**

Notice: Validity of Status Holder Certificates issued in the FY 2015-16 and 2016- 17 under the provisions of FTP 2015-20 has been extended upto 30.09.2022.

For details:

[https://content.dgft.gov.in/Website/dgftprod/05436dd8-e664-4a6e-8baf9ea85e5574d3/PN%2021%20eng\(1\).pdf](https://content.dgft.gov.in/Website/dgftprod/05436dd8-e664-4a6e-8baf9ea85e5574d3/PN%2021%20eng(1).pdf)

Pronouncements

Info Capsule Series 13

July 18, 2022	Pradeep Goyal vs. Union of India	Supreme Court of India
---------------	----------------------------------	------------------------

Supreme Court directs GST Council to issue advisories to all the states for implementation of Document Identification Number to every communication sent to taxpayers

Facts of the case:

A Public Interest Litigation has been filed and prayed for an appropriate writ, order, or direction to the respondents - respective States and the GST Council to take all necessary steps to implement a system for electronic (digital) generation of a Document Identification Number (DIN) for all communications sent by the State Tax Officers to taxpayers and other concerned persons to promote transparency and accountability in the indirect tax administration. It was also requested to direct the GST Council to consider and take a policy decision in respect of the implementation of the DIN system by all the States, as it may prevent any abuse by the Departmental Officers of pre-dating communications and ratifying actions by authorizations subsequently made out in the files. The same has till date only been implemented only by two States, i.e., the States of Karnataka and Kerala. Judgment: Supreme Court held that in view of the implementation of the GST and as per Article 279A of the Constitution of India, the GST Council is empowered to make recommendations to the States on any matter relating to GST. The GST Council can also issue advisories to the respective States for implementation of the DIN system, which shall be in the larger public interest and which may bring in transparency and accountability in the indirect tax administration. The Supreme Court has directed the Centre and the Goods and Services Tax (GST) Council to issue advisory to states for implementing a digital system for all communication sent by GST officers to taxpayers.

For details:

https://main.sci.gov.in/supremecourt/2022/10171/10171_2022_11_11_36464_Judgement_18-Jul-2022.pdf

05/08/2022	<i>Kotak Mahindra Bank Limited (Appellant) Vs. Kew Precision Parts Private Limited & Ors (Respondent)</i>	<i>Supreme Court of India Civil Appeal No. 2176 of 2020</i>
------------	---	---

Issue : Acknowledgement under the Limitation Act and promise under the Contract Act & Applicability of the Limitation Act, 1963 to Section 7 of the Insolvency and Bankruptcy Code.

Observation: The Hon'ble Supreme Court of India vide its order observed that there is a distinction between acknowledgment under Section 18 of the Limitation Act, 1963 and a promise within the meaning of Section 25 of the Contract Act. Both promise and acknowledgment in writing, signed by a party or its agent authorised in that behalf, have the effect of creating a fresh starting of limitation. The difference is that an acknowledgment under Section 18 of the Limitation Act has to be made within the period of limitation and need not be accompanied by any promise to pay. If an acknowledgment shows existence of jural relationship, it may extend limitation even though there may be a denial to pay. On the other hand, Section 25(3) is only attracted when there is an express promise to pay a debt that is time barred or any part thereof. Promise to pay can be inferred on scrutinising the document. Only the promise should be clear and unconditional.

Section 5 of the Limitation Act, 1963 does not speak of any application. The section enables the court to admit an application or appeal if the applicant or the appellant, as the case may be, satisfies the court that he had sufficient cause for not making the application and/or preferring the appeal, within the time prescribed. A Court/Tribunal may exercise its discretion to condone delay, even in the absence of a formal application.

As per Section 18 of Limitation Act, an acknowledgement of present subsisting liability, made in writing in respect of any right claimed by the opposite party and signed by the party against whom the right is claimed, has the effect of commencing a fresh period of limitation from the date on which the acknowledgement is signed. Such acknowledgement need not be accompanied by a promise to pay expressly or even by implication. However, the acknowledgement must be made before the relevant period of limitation has expired.

It is well settled that even entries in books of accounts and/or balance sheets of a Corporate Debtor would amount to an acknowledgment under Section 18 of the Limitation Act.

For details:

<https://ibbi.gov.in/uploads/order/2bd7908ae442cd1dc967f4693c74ed68.pdf>

August 26, 2022	<i>Sundaresh Bhatt, Liquidator of ABG Shipyard (Appellant) vs. Central Board of Indirect Taxes and Customs (Respondent)</i>	<i>Supreme Court of India, Civil Appeal No. Civil Appeal No. 7667 of 2021</i>
-----------------	---	---

Issue:

(i) Whether the provisions of the IBC would prevail over the Customs Act, and if so, to what extent?

(ii) Whether the Respondent (Central Board of Indirect Taxes and Customs) could claim title over the goods and issue notice to sell the goods in terms of the Customs Act when the liquidation process has been initiated? Observation: The Hon'ble Supreme Court of India inter-alia observed that the IBC would prevail over The Customs Act, to the extent that once moratorium is imposed in terms of Sections 14 or 33(5) of the IBC as the case may be, the respondent authority only has a limited jurisdiction to assess/determine the quantum of customs duty and other levies. The respondent authority does not have the power to initiate recovery of dues by means of sale/confiscation, as provided under the Customs Act.

Further, the Hon'ble Supreme Court of India observed that (i) Once moratorium is imposed in terms of Sections 14 or 33(5) of the IBC as the case may be, the respondent authority only has a limited jurisdiction to assess/determine the quantum of customs duty and other levies. The respondent authority does not have the power to initiate recovery of dues by means of sale/confiscation, as provided under the Customs Act. (ii) After such assessment, the respondent authority has to submit its claims (concerning customs dues/operational debt) in terms of the procedure laid down, in strict compliance of the time periods prescribed under the IBC, before the adjudicating authority. (iii) In any case, the IRP/RP/liquidator can immediately secure goods from the respondent authority to be dealt with appropriately, in terms of the IBC.

For details:

<https://ibbi.gov.in/uploads/order/3e757794a8ff5f880b0ee07005ee4133.pdf>

02/09/2022	Sumat Kumar Gupta Insolvency Professional, Formerly Resolution Professional M/S Vallabh Textiles Company Ltd (Appellant) vs. Committee of Creditors of M/S Vallabh Textiles Company Ltd. Through Punjab National Bank (Respondent)	National Company Law Appellate Tribunal Principal Bench, New Delhi Company Appeal (AT) (Insolvency) No. 1037 of 2022
------------	--	---

Section 27 of the Insolvency & Bankruptcy Code does not contemplate any opportunity of hearing to the Resolution Professionals be given by the Adjudicating Authority before approving the proposal of new Resolution Professional.

Brief Facts:

This Appeal has been filed before the National Company Law Appellate Tribunal against the order dated 11.07.2022 passed by the Adjudicating Authority (National Company Law Tribunal), Chandigarh Bench in I.A. No. 682 of 2022 in CP(IB) No. 391/Chd/Pb/2018 by which order the application filed by the Punjab National Bank - the Financial Creditor for replacement of the Resolution Professional has been allowed and in place of the Appellant another person has been appointed as Resolution Professional. Aggrieved by the impugned order, the Appellant has come up in this Appeal.

Learned counsel for the Resolution Professional submitted before National Company Law Appellate Tribunal that the Adjudicating Authority passed the impugned order without giving any opportunity of hearing and within issuing any notice to the Appellant. It is submitted that when the order was being passed by the Adjudicating Authority replacing the Appellant, he was entitled for the opportunity to be heard in the application in consonance with the principles of natural justice. Section 27 of the I&B Code which provides for replacement of the Resolution Professional by the Committee of Creditors (CoC) does not exclude applicability of natural justice and the Appellant was entitled for the opportunity to be heard.

Order

Appeal is dismissed by the Hon'ble National Company Law Appellate Tribunal and interalia observed that when we look into the scheme of Section 27 as delineated by the statute, it does not contemplate any opportunity of hearing to the Resolution Professionals be given by the Adjudicating Authority before approving the proposal of new Resolution Professional. Section 27 requires the CoC to forward the name of proposed Resolution Professional to the Adjudicating Authority and the Adjudicating Authority is required to forward the name of the proposed Resolution Professional to the Board for its confirmation. The scheme of Section 27 does not indicate that Resolution Profession is to be made party and is to be issued notice before taking decision to appoint another Resolution Professional. Looking to the purpose and object of the I&B Code, where timeline is the essential factor to be taken into consideration at all stages, there is no warrant to permit a Lis to be raised by the Resolution Professional challenging his replacement by the CoC. The decision taken by the CoC is a decision by vote of 66% and when the decision is by votes of a collective body, the decision is not easily assailable and replacement is complete as per Scheme of Section 27 when the resolution is passed with requisite 66% voting share.

For details:

<https://ibbi.gov.in/uploads/order/9c6a9e4d559a568b21db5cc7e190b6c0.pdf>

30/09/2022	<i>Gandhar Oil Refinery (India) Ltd (Appellant) vs. City Oil Pvt. Ltd (Respondent)</i>	<i>National Company Law Appellate Tribunal, Principal Bench, New Delhi Company Appeal (AT) (Ins.) No. 915 of 2022</i>
------------	--	---

A decision without reasons is like grass without root, the requirement to record reasons is one of the principles of natural justice

The Hon'ble NCLAT while setting aside the order as passed by the Adjudicating Authority inter-alia observed that when judgment is pronounced without reasoning, it is not a judgment in the eye of law for the reason that the requirement of reasoning either by Original Court or Appellate Authority is to convey the mind of the judge while deciding such an issue before the Tribunal. The object of the Rule in making it incumbent upon the Tribunals to record reasons is only to afford an opportunity in understanding the ground upon which the decision is founded with a view to enabling them to know the basis of the judgment or order and if so considered appropriate and so advised, to avail the remedy of appeal.

Further, the Appellate Tribunal observed that “the requirement of recording of reasons is only to show that the Court has focused concentration on rival contentions and to provide litigant parties an opportunity of understanding the ground upon which the decision is founded. Even if it is an order under the provisions of the Act, still these basic requirements cannot be ignored by Courts and Tribunals. In such case, a judge is required to apply his mind and give focused consideration to rival contentions raised by both parties. Courts/Tribunals ought to be cautious and only on being satisfied that there is no fact which needs to be proved despite being in admission, should proceed to pass judgments vide Balraj Taneja and another Vs. Sunil Madan and another (AIR 1999 SC 3381). The need for recording of reasons is greater in a case where the order is passed at the original stage, a decision without reasons is like grass without root, the requirement to record reasons is one of the principles of natural justice as well and where a statute required recording of reasons in support of the order, it must be done by the authorities concerned as held by the Apex Court in S.M. Mukerji Vs. Union of India (1990 Cr.L.J.2148).”

For details:

<https://ibbi.gov.in/uploads/order/f7c90892fe3f270fd81978654bbd826f.pdf>

Terminologies

Info Capsule Series 13

Activist Investor

An activist investor is an individual or group that buys a significant stake in a public company in order to influence how the company is run, such as by obtaining seats on its board of directors. Companies that are mismanaged, have excessive costs, could be run more profitably if taken private, or have other problems the activist investor believes they can fix are often targets for activist investors.

Autonomous Consumption

Autonomous consumption is defined as the expenditures that consumers must make even when they have no disposable income. Certain goods need to be purchased, regardless of how much income or money a consumer has in their possession at any given time. When a consumer is low on resources, paying for these necessities can force them to borrow or access money that they had previously been saving.

Blue Sky Laws

Blue sky laws are state regulations established as safeguards for investors against securities fraud. The laws, which may vary by state, typically require sellers of new issues to register their offerings and provide financial details of the deal and the entities involved. As a result, investors have a wealth of verifiable information on which to base their judgment and investment decisions.

Buy-In Management Buyout (BIMBO)

A Buy-In Management Buyout (BIMBO) is a form of a leveraged buyout (LBO) that incorporates characteristics of both a management buyout (MBO) along with a management buy-in (MBI).

Delta Neutral

Delta neutral is a portfolio strategy utilizing multiple positions with balancing positive and negative deltas so that the overall delta of the assets in question totals zero.

Depreciation Recapture

Depreciation recapture is the gain realized by the sale of depreciable capital property that must be reported as ordinary income for tax purposes. Depreciation recapture is assessed when the sale price of an asset exceeds the tax basis or adjusted cost basis. The difference between these figures is thus "recaptured" by reporting it as ordinary income.

Distribution Waterfall

A distribution waterfall is a way to allocate investment returns or capital gains among participants of a group or pooled investment. Commonly associated with private equity funds, the distribution waterfall defines the pecking order in which distributions are allocated to limited and general partners.

Equity Multiplier

The equity multiplier is a risk indicator that measures the portion of a company's assets that is financed by stockholder's equity rather than by debt. It is calculated by dividing a company's total asset value by its total shareholders' equity

Four Asian Tigers

The Four Asian Tigers are the high-growth economies of Hong Kong, Singapore, South Korea, and Taiwan. Fuelled by exports and rapid industrialization, the Four Asian Tigers have consistently maintained high levels of economic growth since the 1960s, and have collectively joined the ranks of the world's wealthiest nations.

Fractional Reserve Banking

Fractional reserve banking is a system in which only a fraction of bank deposits are backed by actual cash on hand and available for withdrawal. This is done to theoretically expand the economy by freeing capital for lending. Today, most economies' financial systems use fractional reserve banking

Full Ratchet

A full ratchet is a contractual provision designed to protect the interests of early investors. Specifically, it is an antidilution provision that applies, for any shares of common stock sold by a company after the issuing of an option (or convertible security), the lowest sale price as the adjusted option price or conversion ratio for existing shareholders.

Gann Fans

Gann fans are a form of technical analysis based on the idea that the market is geometric and cyclical in nature. A Gann fan consists of a series of lines called Gann angles. These angles are superimposed over a price chart to show potential support and resistance levels. The resulting image is supposed to help technical analysts predict price changes.

Glass Cliff

The term "glass cliff" refers to a situation in which women are promoted to higher positions during times of crisis, or during a recession when the chance of failure is more likely. Put simply, women in these situations are set up for failure. The term was coined by researchers at the University of Exeter, United Kingdom who published research on the 100 companies included in the Financial Times Stock Exchange (FTSE) 100 Index.

Greenwashing

Greenwashing is the process of conveying a false impression or providing misleading information about how a company's products are more environmentally sound. Greenwashing is considered an unsubstantiated claim to deceive consumers into believing that a company's products are environmentally friendly

Group of 30 (G-30)

The Group of 30, generally abbreviated to G-30, is a private, non-profit international body composed of economists, company chiefs, and representatives of national, regional, and central banks. G-30 members meet twice a year to discuss and better understand financial and economic issues in the private and public sectors worldwide.

GST Suvidha Provider (GSP)

GST Suvidha Provider (GSP) refers to third-party applications that assist the taxable person in accessing the GST portal in an enriched manner by being more user-friendly and customer-centred.

Hindenburg Omen

The Hindenburg Omen is a technical indicator that was designed to signal the increased probability of a stock market crash. It compares the percentage of new 52-week highs and new 52-week lows in stock prices to a predetermined reference percentage that is supposed to predict the increasing likelihood of a market crash.

Hodrick-Prescott (HP) Filter

The Hodrick-Prescott (HP) filter refers to a datasmoothing technique. The HP filter is commonly applied during analysis to remove short-term fluctuations associated with the business cycle. Removal of these short-term fluctuations reveals long-term trends. This can help with economic or other forecasting associated with the business cycle.

Hull-White Model

The Hull-White model is a single-factor interest rate model used to price interest rate derivatives. The Hull-White model assumes that short rates have a normal distribution and that the short rates are subject to mean reversion. Volatility is thus likely to be low when short rates are near zero, which is reflected in a larger mean reversion in the model.

IS - LM Model

The IS-LM model, which stands for "investment-savings" (IS) and "liquidity preference-money supply" (LM) is a Keynesian macroeconomic model that shows how the market for economic goods (IS) interacts with the loanable funds market (LM) or money market. It is represented as a graph in which the IS and LM curves intersect to show the short-run equilibrium between interest rates and output.

Juice Jacking

Juice jacking is a security exploit in which an infected USB charging station is used to compromise connected devices. The exploit takes advantage of the fact that a mobile device's power supply passes over the same USB cable the connected device uses to sync data.

Junior Equity

Junior equity is stock issued by a company that ranks at the bottom of the priority ladder in terms of ownership rights. Its owners are the last in line to receive certain payouts, such as dividends or reimbursements in cases of bankruptcy

Kelly Criterion

The Kelly Criterion is a mathematical formula relating to the long-term growth of capital developed by John L. Kelly Jr. while working at AT&T's Bell Laboratories. It is used to determine how much to invest in a given asset, in order to maximize wealth growth over time.

Keynesian Put

A Keynesian put is an optimistic investor outlook that is based on the expectation that a specific investment, and the financial markets in general, will soon benefit from fiscal stimulus measures.

Modified Dietz Method

The modified Dietz method is a way to measure a portfolio's historical return that is based on a weighted calculation of its cash flow. The method takes into account the timing of cash flows and assumes that there is a constant rate of return over a specified period of time.

Morbidity Rate

Morbidity rate refers to the rate at which a disease or illness occurs in a population and can be used to determine the health of a population and its healthcare needs. Illnesses can range from acute to chronic, long-lasting conditions.

Newly Industrialized Country

A newly industrialized country (NIC) is a term used by political scientists and economists to describe a country whose level of economic development ranks it somewhere between developing and highly developed classifications. These countries move away from an agriculture-based economy into a more industrialized, urban economy. Experts also call them as "newly industrializing economies" or "advanced developing countries."

Nonce

Nonce is a portmanteau of "number used only once." It is a four-bit number added to a hashed—or encrypted—block in a blockchain that, when rehashed, meets the difficulty level restrictions. The nonce is the number that blockchain miners are solving for. When the solution is found, the blockchain miner that solves it is given the block reward.

Opaque Pricing

Opaque pricing is a way that companies can sell their merchandise at hidden, lower prices. Opaque pricing is a type of price discrimination, with the target customer being the one who will purchase a product or service primarily based on price (price-conscious customer) — and not based on the company's amenities, reputation, etc.

Owner Earnings Run Rate

Owner earnings run rate is an extrapolated estimate of an owner's earnings (free cash flow) over a defined period of time — typically a year

Organisation of Eastern Caribbean States

The Organisation of Eastern Caribbean States (OECS) is an intergovernmental organization that promotes economic integration and trade cooperation among its member states in the Eastern Caribbean.

Porter Diamond

The Porter Diamond, properly referred to as the Porter Diamond Theory of National Advantage, is a model that is designed to help understand the competitive advantage that nations or groups possess due to certain factors available to them, and to explain how governments can act as catalysts to improve a country's position in a globally competitive economic

Qualifying Disposition

Qualifying disposition refers to a sale, transfer, or exchange of stock that qualifies for favorable tax treatment. Individuals typically acquire this type of stock through an incentive stock option (ISO), or through a qualified employee stock purchase plan (ESPP). A qualified ESPP requires shareholder approval before it is implemented. Furthermore, all plan members must have equal rights in the plan.

Quasi-Reorganization

A quasi-reorganization is a relatively obscure provision under Generally Accepted Accounting Principles (GAAP), which states that under certain circumstances, a firm may eliminate a deficit in its retained earnings account by restating assets, liabilities, and equity in a manner similar to a bankruptcy. A firm's stockholders must agree to allow the accounting change, which essentially resets the firm's books as though a new company had incurred the assets and liabilities of the old firm.

Quasi-Reorganization

A quasi-reorganization is a relatively obscure provision under Generally Accepted Accounting Principles (GAAP), which states that under certain circumstances, a firm may eliminate a deficit in its retained earnings account by restating assets, liabilities, and equity in a manner similar to a bankruptcy. A firm's stockholders must agree to allow the accounting change, which essentially resets the firm's books as though a new company had incurred the assets and liabilities of the old firm.

Quasi-Reorganization

A quasi-reorganization is a relatively obscure provision under Generally Accepted Accounting Principles (GAAP), which states that under certain circumstances, a firm may eliminate a deficit in its retained earnings account by restating assets, liabilities, and equity in a manner similar to a bankruptcy. A firm's stockholders must agree to allow the accounting change, which essentially resets the firm's books as though a new company had incurred the assets and liabilities of the old firm.

R-Squared

R-squared (R^2) is a statistical measure that represents the proportion of the variance for a dependent variable that's explained by an independent variable or variables in a regression model. Whereas correlation explains the strength of the relationship between an independent and dependent variable, R-squared explains to what extent the variance of one variable explains the variance of the second variable. So, if the R^2 of a model is 0.50, then approximately half of the observed variation can be explained by the model's inputs.

Ricardian Equivalence

Ricardian equivalence is an economic theory that says that financing government spending out of current taxes or future taxes (and current deficits) will have equivalent effects on the overall economy.

Rostow's States of Economic Growth

Rostow's Stages of Economic Growth include the following five stages: Traditional Society; Preconditions for Take-Off; Take-Off; Drive to Maturity; and Age of High Mass Consumption. Rostow's model is one of the most significant historical models of economic growth. The model does not include "Postmodern Society"

Triggering Event

A triggering event is a tangible or intangible barrier or occurrence which, once breached or met, causes another event to occur. Triggering events include job loss, retirement, or death, and are typical for many types of contracts. These triggers help to prevent, or ensure, that in the case of a catastrophic change, the terms of an original contract may also change.

Two and Twenty

Two and twenty (or "2 and 20") is a fee arrangement that is standard in the hedge fund industry and is also common in venture capital and private equity. Hedge fund management companies typically charge clients both a management and a performance fee. "Two" means 2% of assets under management (AUM), and refers to the annual management fee charged by the hedge fund for managing assets. "Twenty" refers to the standard performance or incentive fee of 20% of profits made by the fund above a certain predefined benchmark.

Vertical Well

A vertical well is a technique for accessing an underground reserve of oil or natural gas that involves drilling vertically into the ground. Drilling wells vertically is a traditional method of oil extraction, as compared to their more modern counterpart, directional drilling.

Vicarious Liability

Vicarious liability is a situation in which one party is held partly responsible for the unlawful actions of a third party. The third party also carries their own share of the liability. Vicarious liability can arise in situations where one party is supposed to be responsible for (and have control over) a third party and is negligent in carrying out that responsibility and exercising that control.

War Bond

A war bond is a debt security issued by a government to finance military operations during times of war or conflict. Because war bonds offered a rate of return below the market rate, investment was achieved by making emotional appeals to patriotic citizens to lend the government money.

Workable Indication

Workable indication is a pricing technique, stated as a range, which allows a dealer or broker flexibility when offering to buy or sell a particular debt instrument. It primarily applies to the municipal bond market.

X-Efficiency

X-efficiency refers to the degree of efficiency maintained by firms under conditions of imperfect competition. Efficiency in this context means a company getting the maximum outputs from its inputs, including employee productivity and manufacturing efficiency. In a highly competitive market, firms are forced to be as efficient as possible to ensure strong profits and continued existence. This is not true in situations of imperfect competition, such as with a monopoly or duopoly.

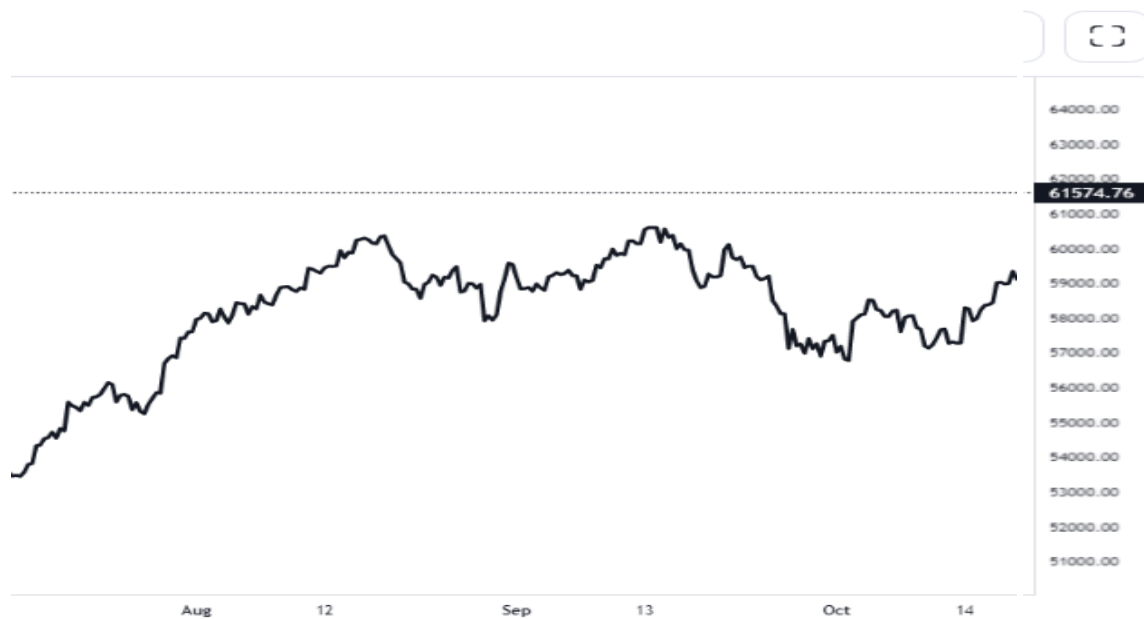
Market Watch

Info Capsule Series 13

Stock Market Indices

S & P BSE Sensex

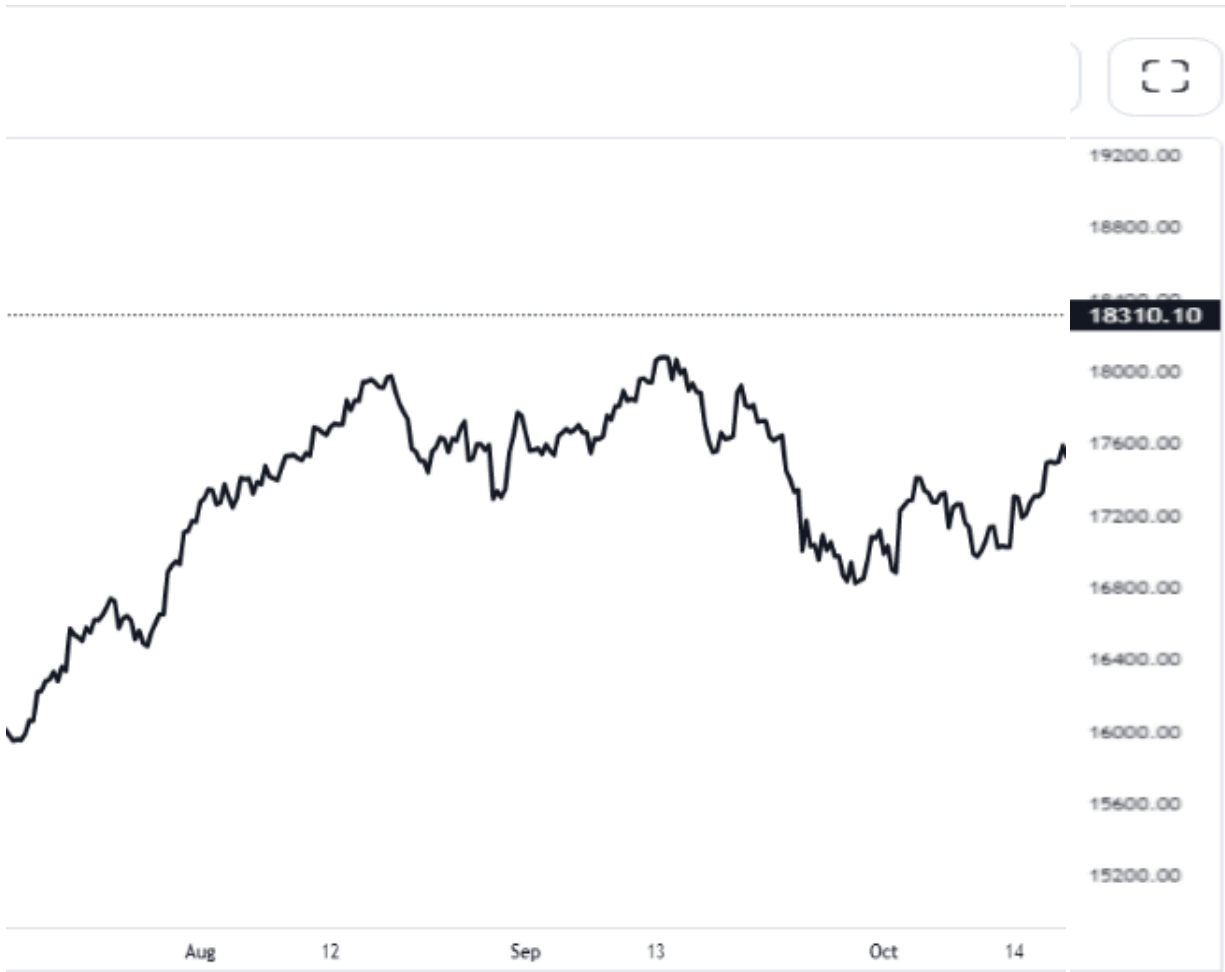
(July 14, 2022 - October 18, 2022)



Stock Market Indices

Nifty 50

(July 14, 2022 - October 18, 2022)



Foreign Exchange Rates

USD

(July 14, 2022 - October 18, 2022)



Foreign Exchange Rates

EURO

(July 14, 2022 - October 18, 2022)



Foreign Exchange Rates

JAPANESE YEN

(July 14, 2022 - October 18, 2022)



Foreign Exchange Rates

GBP

(July 14, 2022 - October 18, 2022)



Motto

सत्यं वद | धर्मं चर।

इष्टार्थे त्थे त्पुते. ब्रवेत्ते त्पु त्थे त्थे.

Vision

"To be a global leader in promoting good corporate governance"

Mission

"To develop high calibre professionals facilitating good corporate governance"



**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)

Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011- 4534 1000 fax +91-11-2462 6727

email info@icsi.edu website www.icsi.edu