

Info Capsule

Tuesday
May 11, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ International Business and Economic News

China's export rebate withdrawal augurs well for Indian steel exporters : ICRA (May 10, 2021)

Withdrawal of export rebates by China augurs well for Indian steel exporters and will also support buoyancy in international steel prices, ratings agency ICRA said on Friday, May 07, 2021. China's steel exports have been on an uptrend in the current year and grew sharply by 24 per cent YoY in Q1 CY2021, partly aided by a lower base and improving demand from other geographies.

For details:

<https://www.hellenicshippingnews.com/chinas-export-rebate-withdrawal-augurs-well-for-indian-steel-exporters-icra/>



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❖ Securities Laws and Capital Market

SEBI Circular

• Business responsibility and sustainability reporting by listed entities (May 10, 2021)

SEBI came out with disclosure requirements under Business Responsibility and Sustainability Report (BRSR) covering ESG (Environmental, Social and Governance) parameters. The BRSR is accompanied with a guidance note to enable the companies to interpret the scope of disclosures. The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions.

The filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) with effect from the financial year 2022-2023 and shall replace the existing Business Responsibility Report (BRR). Filing of BRSR is voluntary for the financial year 2021-22.

For details:

https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html

Consultation Paper

• Consultation Paper on Segregation and Monitoring of Collateral at Client level (May 10, 2021)

The SEBI has placed a consultation paper for public comments on proposed framework for segregation and monitoring of collateral at client level, with the objective to ensure protection of client collateral, latest by June 24, 2021 in the prescribed format. Segregation of client collateral refers to the procedures that enable identification and protection of client collateral from misuse by Trading Member (TM) / Clearing Member

(CM) and default of TM/CM. In the past, there have been instances of misuse of client collateral by TM/CM. It is, therefore, desirable to put in place a framework that ensures identification of each client's collateral.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/may-2021/consultation-paper-on-segregation-and-monitoring-of-collateral-at-client-level_50090.html

❖ **Banking and Insurance**

- **Government Agency Business Arrangement – Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India (RBI) (May 10, 2021)**

An embargo put in place from September 2012 by Department of Financial Services (DFS), Ministry of Finance (MoF) on further allocation of Government business to private sector banks has since been lifted by them vide their communication dated February 24, 2021.

Based on the above developments, the existing guidelines on appointment of Scheduled Private Sector Banks as Agency Banks of RBI have been reviewed and revised.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12090&Mode=0>

- **Report of the Working Group (WG) to revisit the product structure of Title Insurance (May 10, 2021)**

Title Insurance products are currently offered by only a few General Insurers in the Indian market. The features of these products, namely the terms and conditions, scope of coverage etc. vary from insurer to insurer. In order to examine the needs of the market and make recommendations with regard to the structure of title insurance products, the Authority set up a Working Group in 2019. The Working Group has submitted its report in which it has made various recommendations, including two new product structures for Title Insurance.

The report of the working group is now placed on the website to seek valuable inputs of all the stakeholders for their feedback in the prescribed format on or before May 31, 2021 to nl-products@irdai.gov.in with a copy marked to pradeep.singh@irdai.gov.in.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4481&lag=1

- **Reserve Bank of India appoints Jose J Kattoor as new Executive Director (May 10, 2021)**

The Reserve Bank of India (RBI) has appointed its Bangalore regional head, Jose Kattoor as executive director (ED) with effect from May 04, 2021.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/reserve-bank-of-india-appoints-jose-j-kattoor-as-new-executive-director/articleshow/82524801.cms>

- **RBI amends KYC norms to further leverage video-based customer identification process (May 10, 2021)**

The Reserve Bank on May 10, 2021 amended its master direction on know your customer to further leverage the Video-based Customer Identification Process (V-CIP) and simplify the process of periodic updation of KYC. V-CIP is an alternate method of customer identification with facial recognition and customer due diligence by an authorised official of the regulated entity by undertaking seamless, secure, live, informed-consent based audio-visual interaction with the customer to obtain identification information.

For details:

<https://www.financialexpress.com/industry/banking-finance/rbi-amends-kyc-norms-to-further-leverage-video-based-customer-identification-process/2249513/>

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12089&Mode=0>

- **Banking Regulation Act, 1949 – Section 26A Depositor Education and Awareness Fund Scheme, 2014 – Interest rates payable on unclaimed interest-bearing deposit (May 11, 2021)**

The rate of interest has been reviewed and it has been decided that the rate of interest payable by banks to the depositors/claimants on the unclaimed interest-bearing deposit amount transferred to the Fund shall be 3 per cent simple interest per annum with effect from the date of this circular. Accordingly, all the banks are advised to calculate the interest payable on interest bearing deposits transferred to RBI at the rate of 4 per cent p.a. up to June 30, 2018, 3.5 per cent w.e.f. July 1, 2018 up to May 10, 2021 and at 3 per cent with effect from May 11, 2021 till the time of payment to the depositor / claimant.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12091&Mode=0>

❖ Terminology for today

Business Process Simulation

Business process simulation is a way of testing a process before it “goes live.” It attempts to simulate what will happen once people start using a process, and is useful for finding bottlenecks and other problems and fixing them beforehand. In some ways, business process simulation is like a dress rehearsal for actual business process use.

❖ Market Watch

Stock Market Indices as on 11.05.2021

S & P BSE Sensex	49161.81 (-340.60)
Nifty 50	14850.75 (-91.60)

Foreign Exchange Rates as on 10.05.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
73.21	102.37	89.04	0.67

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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