

Info Capsule

Monday
June 14, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

SEBI Notification

- **The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (June 11, 2021)**

With an objective to make the delisting process more transparent and efficient, the SEBI vide gazette notification dated June 11, 2021 has notified the SEBI (Delisting of Equity Shares) Regulations, 2021 which shall be applicable to delisting of equity shares of a company including equity shares having superior voting rights from all or any of the recognised stock exchanges where such shares are listed. The SEBI (Delisting of Equity Shares) Regulations, 2009, stand repealed from the date on which these regulations come into force.

Regulation 10 of these Regulations inter-alia provides that the Board of Directors of the company, before considering the proposal of delisting, shall appoint a Peer Review Company Secretary and provide the prescribed information to such Company Secretary for carrying out due-diligence.

For details:

https://www.sebi.gov.in/legal/regulations/jun-2021/securities-and-exchange-board-of-india-delisting-of-equity-shares-regulations-2021_50517.html



**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)

❖ **Securities Laws and Capital Markets**

- **Guidance note on communications by Listed Entities (June 11, 2021)**

The Stock Exchanges (NSE and BSE) issued guidance note to the listed entities where it is provided that the company shall ensure that no price-sensitive information is disclosed unless the same has been first disclosed to the stock exchanges. Further, to protect the interest of the stakeholders an indicative list of things has been given that shall be kept in mind by the listed entities while publicizing the company. As per the guidance note, this may be significant to survive in an ecosystem in which the company operates, stakeholder interest is of paramount importance as well.

For details:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20210611-28>

https://static.nseindia.com//s3fs-public/inline-files/NSE_guidance_note_11062021.pdf

SEBI Order

- **Final order in the matter of M/s Max India Research (Proprietor: Mr. Abhishek Gupta) (June 11, 2021)**

The SEBI directed M/s Max India Research and its sole proprietor Mr. Abhishek Gupta, (Noticees) to refund the money received from the clients/investors/ complainant within three months and also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity for a period of 2 (two) years. The SEBI found that Noticees were engaged in 'investment advisory services' without having the requisite registration as mandated under the SEBI Act, 1992 and SEBI (Investment Advisers) Regulations, 2013.

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/final-order-in-the-matter-of-max-india-research-proprietor-mr-abhishek-gupta_50518.html

- **Adjudication Order in the matter of A2Z Infra Engineering Ltd. (June 11, 2021)**

The SEBI imposed monetary penalty on the Noticees (as mentioned in the table below) for violating the provisions of the Securities Contracts (Regulation) Act, 1956, SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 and SEBI (Stock Brokers) Regulations, 1992 as applicable.

<i>Name of Noticee</i>	<i>Penal Provisions</i>	<i>Penalty</i>
Keshav Shares And Stocks Ltd (Noticee 1)	Section 23H of SCRA, 1956	Rs. 1,00,000/ (Rupees One Lakh Only)
Surbhi Resorts Pvt Ltd (Noticee 2)	Section 23H of SCRA, 1956	Rs. 1,00,000/- (Rupees One Lakh Only)
Keshav Shares And Stocks Ltd (Noticee 1)	Section 15HA of SEBI, Act, 1992	Rs. 5,00,000/ (Rupees Five Lakh Only) to be paid jointly and severally by Noticee 1 and 2
Surbhi Resorts Pvt Ltd (Noticee 2)		

For details:

https://www.sebi.gov.in/enforcement/orders/jun-2021/adjudication-order-in-the-matter-of-a2z-infra-engineering-ltd_50513.html

SEBI News

- **PhonePe files complaint with SEBI against Ventureast Fund over OSLabs deal (June 12, 2021)**

Walmart-backed PhonePe, one of India's largest digital payments platform, has filed a complaint with the markets regulator Securities and Exchange Board of India (SEBI) against Ventureast Proactive Fund-II (VPF), an alternative investment fund (AIF) operating out of India. PhonePe accused Ventureast of committing multiple violations on the part of its side dealings with Affle, in a deliberate attempt to 'scuttle' its (PhonePe's) OSLabs acquisition.

The SEBI complaint is in addition to the lawsuit filed by PhonePe against Ventureast and Affle in the Singapore High Court claiming that Ventureast 'deliberately' deceived them by continuing to engage with them and OSLabs on the sale of its shares in the latter, in favor of PhonePe, even though it had sold those same shares to Affle in a side deal without OSLabs and PhonePe's knowledge on a prior date during a legally binding no-shop period. Affle Global holds around a 23 per cent stake in IndusOS.

For details:

https://www.business-standard.com/article/companies/phonepe-files-complaint-with-sebi-against-ventureast-fund-over-oslabs-deal-121061200837_1.html

❖ **Direct tax**

● **Notification No.70/2021 u/s 35(1)(ii)/(iii) of the Income-tax Act, 1961 in the case of M/s Indian Institute of Technology (IIT), Bhilai (June 08, 2021)**

The Central Government hereby approves M/s Indian Institute of Technology, Bhilai (PAN: AABAI0415K) under the category of 'University, College or other institution' for Scientific Research and Research in Social Science and Statistical Research for the purposes of clauses (ii) and (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_70_2021.pdf

● **Income-tax (17th Amendment) Rules, 2021(June 08, 2021)**

The Central Board of Direct Taxes (CBDT) notified the Income Tax (17th Amendment) Rules, 2021 which further amends the Income Tax Rules, 1962.

As per the notification the deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted or deducted at lower rate in view of the notification issued under sub-section (5) of section 194A or in view of exemption provided under clause (x) of sub-section (3) of section 194A.

The deductor at the time of preparing statements of tax deducted shall furnish particulars of amount paid or credited on which tax was not deducted in view of clause (d) of the second proviso to section 194 or in view of the notification issued under clause (e) of the second proviso to section 194.

The notification mandates the deductor at the time of preparing statements of tax deducted to furnish particular amounts paid or credited on which tax was not deducted in view of proviso to subsection (1A) or in view of sub-section (2) of section 196D.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_71_2021.pdf

● **Notification No. 72/2021 (June 09, 2021)**

The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Competition Commission of India' (PAN AAAGC0012M), a Commission established under sub-section (1) of Section 7 of the Competition Act, 2002, in respect of certain specified income arising to the said Commission and subject to fulfilment of certain conditions.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_72_2021.pdf

❖ Indirect Tax

Goods and Services Tax

• Recommendations of 44th GST Council Meeting (June 12, 2021)

The 44th GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister Smt Nirmala Sitharaman through video conferencing on June 12, 2021. The Council in its meeting has decided to reduce the GST rates on the specified items being used in Covid-19 relief and management till September 30, 2021.

The details of recommendations are given below:

S. No.	Description	Present GST Rate	GST Rate recommended by GST Council
A.	Medicines		
1.	Tocilizumab	5%	Nil
2.	Amphotericin B	5%	Nil
3.	Anti-Coagulants like Heparin	12%	5%
4.	Remdesivir	12%	5%
B.	Oxygen, Oxygen generation equipment and related medical devices	12%	5%
C.	Testing Kits and Machines	12%	5%
D.	Other Covid-19 related relief material		
1.	Hand Sanitizer	18%	5%
2.	Ambulances	28%	12%

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1726525>

❖ Market Watch

Stock Market Indices as on 14.06.2021	
S & P BSE Sensex	52551.53 (+76.77)
Nifty 50	15811.85 (+12.50)

Foreign Exchange Rates as on 11.06.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
72.91	88.74	103.04	0.67

❖ **Banking and Insurance**

• **Risk Based Internal Audit (RBIA) (June 11, 2021)**

It has been decided by the Reserve Bank of India that the provisions of the Risk Based Internal Audit (RBIA) circular dated February 03, 2021 shall be applicable to Housing Finance Companies (HFCs) also, as stipulated below:

- All deposit taking HFCs, irrespective of their size
- Non-deposit taking HFCs with asset size of ₹5,000 crore and above

The above-mentioned entities shall put in place a RBIA framework by June 30, 2022.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12112&Mode=0>

• **Guidelines on Standard Professional Indemnity Policy For Insurance Brokers/Corporate Agent/Web Aggregators/Insurance Marketing Firms (June 11, 2021)**

Insurance Regulatory and Development Authority of India (IRDAI) has issued Guidelines on Standard Professional Indemnity Policy for Insurance Brokers / Corporate Agent / Web Aggregators / IMF for insurance intermediaries which are engaged in solicitation and distribution of insurance products and are required to take Professional Indemnity Insurance policy in order to get themselves from claim lodged against them.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4509&flag=1

• **Covid-19: Supreme Court rejects plea for fresh loan moratorium relief (June 11, 2021)**

The Supreme Court on June 11, 2021 rejected a plea seeking a fresh loan moratorium relief in the wake of the second Covid wave as implemented in the aftermath of the first, saying such decisions with financial ramifications are best left to the policymakers – the government and RBI — as “judges are not experts in financial matters”.

For details:

<https://www.financialexpress.com/industry/banking-finance/covid-19-supreme-court-rejects-plea-for-fresh-loan-moratorium-relief/2269939/>

Prepared by Directorate of Academics

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