

Info Capsule

Thursday
June 17, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

SEBI Circulars

• **Settlement of Running Account of Client's Funds lying with Trading Member (TM) (June 16, 2021)**

SEBI modified guidelines for settlement of running account of client's funds and securities that will be applicable from August 1. Under the guidelines, the settlement of the running account of funds of the client will be done by the trading member after considering the End of the day obligation of funds as on the date of settlement across all the exchanges, at least once within a gap of 30 / 90 days between two settlements of the running account as per the preference of the client. Retention of any amount towards administrative / operational difficulties in settling the accounts of regular trading clients (active clients), will be discontinued.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/settlement-of-running-account-of-client-s-funds-lying-with-trading-member-tm-_50570.html



**THE INSTITUTE OF
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भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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❖ **Securities Laws and Capital Markets**

• **Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures for inclusion of listed Debt Securities. (June 16, 2021)**

SEBI decided to include the listed debt securities of equity listed companies under the purview of the System Driven Disclosures for the promoters, directors, members of promoter group and designated persons (hereinafter collectively referred to as 'entities'). The system driven disclosures have already been implemented for entities of a listed company under Regulation 7(2) of PIT Regulations pertains to trading in equity shares and equity derivative instruments i.e. Futures and Options of the listed company by such entities. The disclosures for equity and equity derivative segments are being displayed on the exchange website under 'system driven disclosures'. The stock exchanges and depositories will make necessary arrangements so that disclosures pertaining to listed debt securities along with equity shares and equity derivative instruments are disseminated on the websites of respective stock exchanges with effect from July 1, 2021.

For details:

https://www.sebi.gov.in/legal/circulars/jun-2021/automation-of-continual-disclosures-under-regulation-7-2-of-sebi-prohibition-of-insider-trading-regulations-2015-system-driven-disclosures-for-inclusion-of-listed-debt-securities_50572.html

❖ **Banking and Insurance**

- **Second COVID wave impacts bank deposits, currency holding with public: RBI article (June 16, 2021)**

Bank deposits and currency holding with the public have been adversely impacted during the second COVID wave, indicating a heavy outgo towards pandemic-induced medical expenditure, an RBI article said on June 16, 2021. Bank deposits -- having a share of around 55 per cent in total assets of households -- decelerated by 0.1 per cent at end-April 2021 on a m-o-m (month-on-month) basis as against a growth of 1.1 per cent in April 2020.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/second-covid-wave-impacts-bank-deposits-currency-holding-with-public-rbi-article/articleshow/83580241.cms>

- **ICICI Banks launches 'ICICI STACK for Corporates': All about it (June 16, 2021)**

ICICI Bank on June 16, 2021 announced the launch of 'ICICI STACK for Corporates', a comprehensive set of digital banking solutions for corporates and their entire ecosystem including promoters, group companies, employees, dealers, vendors and all other stakeholders. The wide range of 360-degree solutions enables corporates to seamlessly meet all banking requirements of their ecosystem in an expeditious and frictionless manner.

For details:

<https://www.livemint.com/industry/banking/icici-bank-launches-icici-stack-for-corporates-all-about-it-11623818772032.html>

- **Lanco Infratech declared as 'fraud' account by Punjab & Sind Bank (June 17, 2021)**

Public sector lender Punjab & Sind Bank has declared Lanco Infratech as 'fraud' account, the bank said in a regulatory filing on June 16, 2021. The bank has an exposure of Rs. 215 crore towards Lanco Indratech.

For details:

<https://www.financialexpress.com/industry/banking-finance/lanco-infratech-declared-as-fraud-account-by-punjab-sind-bank/2272814/>

❖ **Market Watch**

Stock Market Indices as on 17.06.2021

S & P BSE Sensex	52323.33 (-178.65)
Nifty 50	15691.40 (-76.15)

Foreign Exchange Rates as on 16.06.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.23	88.78	103.17	0.67

❖ **Business and Economic News**

• **DPIIT notifies 74% FDI cap in insurance sector under Automatic Route (June 15, 2021)**

The department for promotion of industry and internal trade (DPIIT) has notified the government's decision to increase the foreign direct investment (FDI) limit in the insurance sector under the automatic route to 75% from 49% earlier.

The Insurance (Amendment) Bill, 2021, was passed by Parliament in March. The Bill amended the Insurance Act, 1938. The new arrangement is expected to benefit 23 private life insurers, 21 private non-life insurers and seven specialised private health insurer companies.

For details:

http://timesofindia.indiatimes.com/articleshow/83551600.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

• **High Court comes down on Indian borrowers (June 16, 2021)**

Those who avail bank loans in the country behave as if it is their “fundamental right” not to repay the credit facilities and resort to all sorts of “gimmicks” to make the creditors run round in circles, the Madras High Court has said. It disapproved of the practice of borrowers clinging on to properties furnished by way of security, and resorting to litigation to delay the inevitable, despite having failed to repay the debt.

Chief Justice Sanjib Banerjee and Justice Senthilkumar Ramamoorthy made the observations while dismissing a writ petition filed by a guarantor who had furnished his property as security for a bank loan of ₹55 lakh in 2006. The judges directed the petitioner to pay costs of ₹20,000 each to State Bank of India (SBI) and the auction purchaser of the property for having made them face multiple legal proceedings since 2010.

For details:

<https://www.thehindu.com/news/national/tamil-nadu/hc-comes-down-on-indian-borrowers/article34833479.ece>

• **Reserve Bank of India imposes Rs 11 lakh penalty on 2 co-operative banks (June 15, 2021)**

The RBI has imposed penalty totalling Rs 11 lakh on Bijnor Urban Co-operative Bank Limited, Bijnor and National Urban Co-operative Bank Limited, New Delhi for contravention of certain norms.

A penalty of Rs 6 lakh has been imposed on the Bijnor Urban Co-operative Bank Limited, and Rs 5 lakh on the National Urban Co-operative Bank Limited.

For details:

https://www.business-standard.com/article/finance/reserve-bank-of-india-imposes-rs-11-lakh-penalty-on-2-co-op-banks-121061501434_1.html

- **Payments System Operators: RBI imposes restrictions on new entities from non-FATF compliant jurisdictions (June 15, 2021)**

The Reserve Bank put in place restrictions with respect to investments in payments system operators (PSOs) by new entities from jurisdictions that have weak measures to deal with money laundering and terrorist financing activities.

The Financial Action Task Force (FATF) periodically identifies jurisdictions with weak measures to combat money laundering and terrorist financing activities.

For details:

<https://www.newindianexpress.com/business/2021/jun/15/payments-system-operators-rbi-imposes-restrictions-on-new-entities-from-non-fatf-compliant-jurisdic-2316489.html>

- **Only PAN, Aadhaar required for MSME registration (June 16, 2021)**

The government has simplified the registration process for micro, small and medium enterprises (MSMEs) and they will now only need to furnish PAN and Aadhaar to register.

Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Shri Nitin Gadkari announced simplification of the process for registration of MSMEs.

For details:

<https://www.livemint.com/news/india/only-pan-aadhaar-required-for-msme-registration-11623818026807.html>

❖ **Direct Tax**

Cost Inflation Index for FY 2021-22 [Notification No. 73 Dated June 15, 2021]

The Central Board of Direct Taxes (CBDT) has notified the cost inflation index (CII) for FY 2021-22 as "317" via a notification dated June 15, 2021. CII is used to calculate the inflation adjusted cost price of an asset. The inflation adjusted price then is used to arrive at long-term capital gains or long-term losses.

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_73_2021.pdf

Prepared by Directorate of Academics

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

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