

# Info Capsule

Monday  
June 21, 2021

**President : CS Nagendra D. Rao**

**Vice President : CS Devendra V. Deshpande**

## ❖ Latest @ ICSI

### EEE 2.0 : Webinar Series - Inaugural on June 22, 2021

The inaugural session of EEE 2.0 (Enable, Evaluate & Excel): Bi-weekly Webinar Series on Companies Act, 2013 & SEBI Laws has been scheduled on June 22, 2021 at 11:00 AM to 1:30 PM.

*For details:*

[https://www.icsi.edu/media/web\\_modules/ICSI\\_190621.pdf](https://www.icsi.edu/media/web_modules/ICSI_190621.pdf)



**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)

## ❖ Ministry of Corporate Affairs

### • The Companies (Creation and Maintenance of databank of Independent Directors) Amendment Rules, 2021 (June 18, 2021)

The MCA vide notification dated June 18, 2021 has amended the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019.

Accordingly, with this amendment, a new sub-rule 8 has been inserted in Rule 3, whereby it stipulates that in case of delay on the part of an individual in applying to the Indian Institute of Corporate Affairs for inclusion of name in the data bank of independent directors or in case of delay in filing an application for renewal thereof, the institute shall allow such inclusion or renewal, as the case may be, after charging a further fee of Rs.1000 on account of such delay.

*For details:*

<https://egazette.nic.in/WriteReadData/2021/227694.pdf>

### • The Companies (Indian Accounting Standards) Amendment Rules, 2021 (June 18, 2021)

The MCA vide Notification dated June 18, 2021 has further amended the Companies (Indian Accounting Standards) Rules, 2015 pertaining to various Indian Accounting Standards (Ind AS), including those related to:

Additional disclosures w.r.t. interest rate benchmark reform to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy, regarding this an entity shall disclose information about:

- (a) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks; and
- (b) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

Further amendments including changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform, additional temporary exceptions arising from interest rate benchmark reform etc., has been introduced.

*For details:*

<https://egazette.nic.in/WriteReadData/2021/227712.pdf>

## ❖ **Securities Laws and Capital Markets**

### **Notification**

- **Securities Contracts (Regulation) (Amendment) Rules, 2021 (June 18, 2021)**

Ministry of Finance (MoF) has notified the Securities Contracts (Regulation) (Amendment) Rules, 2021 which shall come into force on the date of their publication in the Official Gazette i.e. 18-06-2021. It is provided that where the public shareholding in a listed company falls below 10%, as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, the same shall be increased to at least ten per cent, within a maximum period of twelve months from the date of such fall, in the manner specified by the SEBI. Further provided that, every listed company shall maintain public shareholding of at least five per cent as a result of implementation of the resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016.

*For details: <https://egazette.nic.in/WriteReadData/2021/227722.pdf>*

### **SEBI Circulars**

- **Framework for administration and supervision of Investment Advisers under the SEBI (Investment Advisers) Regulations, 2013 (June 18, 2021)**

As per SEBI (Investment Advisers) Regulations 2013 (“IA Regulations”), SEBI may recognise any body or body corporate for the purpose of regulating Investment Advisers (IAs) and delegate administration and supervision of the IAs on such terms and conditions as may be specified. In this regard, BSE Administration & Supervision Limited (BASL), a wholly owned subsidiary of BSE Limited, has been granted recognition as “Investment Adviser Administration and Supervisory Body” (“IAASB”) for a period of three years from June 1, 2021. In order to ensure compliance with the IA Regulations and to keep their registration in force, existing IAs will have to seek membership of IAASB within three months of the recognition of IAASB by SEBI.

*For details:*

*[https://www.sebi.gov.in/legal/circulars/jun-2021/framework-for-administration-and-supervision-of-investment-advisers-under-the-sebi-investment-advisers-regulations-2013\\_50605.html](https://www.sebi.gov.in/legal/circulars/jun-2021/framework-for-administration-and-supervision-of-investment-advisers-under-the-sebi-investment-advisers-regulations-2013_50605.html)*

- **Norms for investment and disclosure by Mutual Funds in Derivatives (June 18, 2021)**

SEBI modified guidelines for participation of mutual fund schemes in Interest Rate Swap (IRS), a derivative product. Mutual funds can enter into plain vanilla IRS for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. In case participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

*For details:*

*[https://www.sebi.gov.in/legal/circulars/jun-2021/norms-for-investment-and-diclosure-by-mutual-funds-in-derivatives\\_50612.html](https://www.sebi.gov.in/legal/circulars/jun-2021/norms-for-investment-and-diclosure-by-mutual-funds-in-derivatives_50612.html)*

## SEBI Reports

- **Extension of Timeline for submission of public comments on the Report of the Technical Group on Social Stock Exchange (June 18, 2021)**

SEBI had released the report of the technical group on Social Stock Exchange for public consultation on its website on May 06, 2021 seeking comments by June 20, 2021. In view of the requests received from stakeholders seeking extension of timeline for submission of comments due to COVID-19 pandemic, it has been decided to extend the timeline for seeking public comments to July 20, 2021.

*For details:*

[https://www.sebi.gov.in/reports-and-statistics/reports/jun-2021/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-technical-group-on-social-stock-exchange\\_50610.html](https://www.sebi.gov.in/reports-and-statistics/reports/jun-2021/extension-of-timeline-for-submission-of-public-comments-on-the-report-of-the-technical-group-on-social-stock-exchange_50610.html)

## SEBI News

- **PNB Housing Finance files appeal before Securities Appellate Tribunal against SEBI's order to freeze on Carlyle deal (June 21, 2021)**

Public sector lender Punjab National Bank Housing Finance has filed an appeal before Securities Appellate Tribunal against SEBI's June 18 order to halt its Rs 4,000-crore transaction with a consortium led by private equity giant Carlyle. The consortium includes former HDFC Bank MD and CEO Aditya Puri and private equity funds General Atlantic and Ares SSG. The rare regulatory intervention from SEBI has come days before a crucial Extraordinary General Meeting (EGM) scheduled on June 22 to approve the issue of shares to the Carlyle-led group. SEBI wants PNB Housing Finance to undertake the valuation exercise based on the firm's articles of association.

*For details:*

<https://www.moneycontrol.com/news/business/companies/pnb-housing-finance-likely-to-challenge-sebi-freeze-on-carlyle-deal-at-tribunal-7061731.html>

## ❖ Market Watch

### Stock Market Indices as on 21.06.2021

S & P BSE Sensex	52574.46 (+230.01)
Nifty 50	15746.50 (+63.15)

### Foreign Exchange Rates as on 18.06.2021

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

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
73.94	88.33	103.19	0.67

## ❖ **Banking and Insurance**

- **Bank of Maharashtra tops PSU bank chart in MSME loan growth in FY21 (June 20, 2021)**

State-owned Bank of Maharashtra (BoM) has become top performer among public sector lenders in terms of retail and MSME loan growth during 2020-21. The Pune-based lender recorded a 35 per cent growth in MSME loans at ₹23,133 crore in 2020-21, according to the BoM data.

*For details:*

<https://www.livemint.com/industry/banking/bank-of-maharashtra-tops-psu-bank-chart-in-msme-loan-growth-in-fy21-11624187219770.html>

- **Insurers seek re-pricing of Corona Kavach, Corona Rakshak policies (June 20, 2021)**

Worried by rising claims and low premium, insurers have approached the insurance regulator IRDAI for a re-pricing of the Corona Kavach and Corona Rakshak policies.

Insurers point out that these low ticket policies were expected to be for a short duration, but with the pandemic continuing, they are turning out to be expensive propositions for them and hitting their balance sheets.

*For details:*

<https://www.thehindubusinessline.com/money-and-banking/insurers-seek-re-pricing-of-corona-kavach-corona-rakshak-policies/article34865002.ece>

- **PMC Plan : BharatPe and CFS will collectively infuse between Rs 500-3,000 crore in SFB (June 21, 2021)**

Centrum Financial Services and BharatPe, will collectively infuse anywhere between Rs 500-3,000 crore capital in the Small Finance Bank (SFB) as per requirement.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/pmc-plan-bharatpe-and-cfs-will-collectively-infuse-between-rs-500-3000-crore-in-sfb/2275058/>

## ❖ **Business and Economic News**

### • **Life after LIBOR: MCA shows the way on corporate financial reporting (June 20, 2021)**

Corporate India and the financial sector, including banks, now have guidance on financial reporting of the transactions undertaken with new interest rate benchmarks that are to replace the London Interbank Offered Rate (LIBOR) at the end of this year. The Ministry of Corporate Affairs (MCA) has effected amendments to several accounting standards to cover the International Accounting Standards Board's Phase 2 amendments, Interest Rate Benchmark Reform finalised in August last year.

These changes to existing Indian accounting standards are expected to smoothen financial reporting under the replacements for LIBOR.

*For details:*

<https://www.thehindubusinessline.com/money-and-banking/life-after-libor-mca-shows-the-way-on-corporate-financial-reporting/article34868222.ece>

### • **New social media rules framed after broad consultations with stakeholders: India to United Nations (June 21, 2021)**

India's permanent mission at the United Nations has clarified that India's new IT rules are "designed to empower ordinary users of social media" and were finalised after holding broad consultations with civil society and other stakeholders in 2018.

"Permanent Mission of India would like to inform that MeitY & Information & Broadcasting Ministry undertook broad consultations in 2018 with various stakeholders, including individuals, civil society, industry associations and invited public comments to prepare draft rules," the mission said in a communication to the rapporteurs of the Special Procedures Branch of the Human Rights Council.

*For details:*

[http://timesofindia.indiatimes.com/articleshow/83686146.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/83686146.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

**Prepared by Directorate of Academics**

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116

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