

Info Capsule

Monday
February 22, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ International News

World Bank push to revive Silk Industry of Jammu and Kashmir (February 21, 2021)

To boost silk production in Jammu and Kashmir, the World Bank-funded Jhelum Tawi Flood Recovery Project (JTFRP) has spent over Rs 12 crore to infuse new lease of life in the sick silk factory in Srinagar. JTFRP under World Bank assisted project is constructing Showroom-cum-interpretation center of the composite market for the whole chain of wool activity at Bemina Srinagar.

For details:

<https://www.indiablooms.com/finance-details/13407/world-bank-push-to-revive-silk-industry-of-jammu-and-kashmir.html>



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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Ministry of Corporate Affairs

The Companies (Specification of definitions details) Second Amendment Rules, 2021 (February 19, 2021)

The MCA vide the Companies (Specification of definitions details) Second Amendment Rules, 2021 dated February 19, 2021 brings in a new rule 2A which has prescribed the class of companies not to be considered as listed companies for the purposes of the proviso to clause (52) of section 2 of the Companies Act, 2013, namely:

- a) Public companies which have not listed their equity shares on a recognized stock exchange but have listed their -
 - (i) non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
 - (ii) non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or
 - (iii) both categories of (i) and (ii) above.
- b) Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- c) Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in section 23(3) of the Companies Act, 2013.

For details:

http://www.mca.gov.in/Ministry/pdf/CompaniesSpecification2ndAmndtRules_19022021.pdf

❖ **Securities Laws and Capital Markets**

SEBI News

- **SEBI wants promoters to sell crypto before IPO (February 22, 2021)**

Holding cryptocurrency may become a hindrance for promoters looking to raise money through an initial public offering (IPO). The SEBI wants promoters of such companies to sell off any cryptocurrency they have before raising funds, said several people with direct knowledge of the matter.

For details:

<https://economictimes.indiatimes.com/markets/ipos/fpos/sebi-wants-promoters-to-sell-crypto-before-ipo/articleshow/81143765.cms>

- **SEBI eases listing rules for large IPOs, Bitcoin hits record (February 18, 2021)**

SEBI eased the listing norms for large companies, apparently paving the way for the much awaited mega float of Life Insurance Corporation (LIC). The regulator said large companies can now divest a minimum 5 per cent in the IPO, instead of 10 per cent. Further, they will get five years, instead of three, to raise the public float to 25 per cent.

For details:

https://www.business-standard.com/article/economy-policy/top-headlines-sebi-eases-listing-rules-for-large-ipos-bitcoin-hits-record-121021800151_1.html

❖ **Terminology for today**

Continuous Tender Panel (CTP)

A method of Euronote distribution which combines a dominant note placing role of the arranger with competitive bidding by facility underwriters against a margin, usually related to LIBOR ['strike offered yield']. The strike offered yield is set by the arranger. The members of the underwriting group may obtain protection to be allocated a quantity of notes in proportion to their underwriting commitment.

❖ **Market Watch**

Stock Market Indices as on 22.02.2021

S & P BSE Sensex	49744.32(-1145.44)
Nifty 50	14675.70 (-306.05)

Foreign Exchange Rates as on 22.02.2021

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

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR / 1 JPY
72.60	101.06	87.60	.69

❖ Indirect Tax

Goods and Services Tax

- **GST Compensation shortfall released to States reaches Rs. 1 lakh crore (February 20, 2021)**

The Ministry of Finance, Department of Expenditure has on Friday, February 19, 2021, released the 17th weekly instalment of Rs. 5,000 crore to the States to meet the GST compensation shortfall. Out of this, an amount of Rs. 4,730.41 crore has been released to 23 States and an amount of Rs. 269.59 crore has been released to the 3 Union Territories (UT) with Legislative Assembly (Delhi, Jammu & Kashmir & Puducherry) who are members of the GST Council. The remaining 5 States, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Sikkim do not have a gap in revenue on account of GST implementation.

It is to be noted that the Government of India had set up a special borrowing window in October, 2020 to meet the estimated shortfall of Rs. 1.10 lakh crore in revenue arising on account of implementation of GST. The borrowings were being done through this window by the Government of India on behalf of the States and UTs. 17 rounds of borrowings have been completed so far starting from October 23, 2020.

Till now, 91 percent of the total estimated GST compensation shortfall has been released to the States & UTs with Legislative Assembly. Out of this, an amount of Rs. 91,460.34 crore has been released to the States and an amount of Rs. 8,539.66 crore has been released to the 3 UTs with Legislative Assembly.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1699562>

- **Adding petrol and diesel to GST regime could bring down prices: FM Nirmala Sitharaman (February 21, 2021)**

Amid an outcry over record high petrol and diesel prices, Union Finance Minister Nirmala Sitharaman on Saturday, February 20, 2021 said that the Centre and state governments will have to together work out a mechanism to bring retail rates to reasonable levels.

For details:

<https://www.timesnownews.com/auto/features/article/adding-petrol-and-diesel-to-gst-regime-could-bring-down-prices-nirmala-sitharaman/723049>

Prepared by Directorate of Academics

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