



**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)



# **INFO CAPSULE**

## **Series - 14**

### **(551 - 600)**



**Motto**

**सत्यं वद। धर्मं चर।**

**“Speak the truth and abide by the law”**

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# Latest @ ICSI

## Info Capsule Series 14

### **Feedback on Company Forms in MCA21-V3**

As you are aware, 9 Company forms (DIR3-KYC, DIR3-KYC web, CHG-1,4,6,8,9, DPT-3, DPT-4) are available in V3 portal of MCA for filing purposes.

The Institute of Company Secretaries of India, in its attempt to further facilitate the stakeholders and ensure smooth transition and implementation, is sharing your feedback to the Ministry of Corporate Affairs (MCA) on regular basis. Such feedback is constantly and closely monitored by MCA at all levels for timely resolution.

We request you to share your inputs/ issues/suggestions on filing of Company Forms in MCA V3 at the link given below:

*For details:*

<https://forms.gle/nJsPM1psPWuqnYtt6>

### **Engagement of Consultants on Contract basis for Dte. of Professional Development (New Delhi)**

The Institute of Company Secretaries of India (ICSI) invites applications for the post of Consultant on contractual basis. Last date for application is 21st November 2022.

*For details:*

[https://www.icsi.edu/media/webmodules/Engagement\\_Consultants\\_Contractbasis\\_PDNewDelhi\\_7Nov2022.pdf](https://www.icsi.edu/media/webmodules/Engagement_Consultants_Contractbasis_PDNewDelhi_7Nov2022.pdf)

### **Engagement of Consultants on Contract basis for Dte. of PFP - Project (New Delhi, Noida Offices)**

The Institute of Company Secretaries of India (ICSI) invites applications for the post of Consultant on contractual basis for Dte. of Perspective and Futuristic Planning (PFP) - Project. Last date for online registration of application by candidates is 29th November 2022.

*For details:*

[https://www.icsi.edu/media/webmodules/14112022\\_EngagementnosConsultantsonContractatICSINewDelhiandNoidaOffices\\_\\_Nov2022.pdf](https://www.icsi.edu/media/webmodules/14112022_EngagementnosConsultantsonContractatICSINewDelhiandNoidaOffices__Nov2022.pdf)

### **Young Professionals in Ministry of Corporate Affairs RoC-Cum-OL Bilaspur Chhattisgarh**

The Institute of Company Secretaries of India (ICSI) brings opportunity for Young Professionals in Ministry of Corporate Affairs, RoC-Cum-OL, Bilaspur, Chhattisgarh. Registration Commenced on November 22, 2022 and the last date for Registration is November 30, 2022. The link for registration is <https://forms.gle/94pWnvMXFG5vMLsb7>

### **ICGN Governance, Stewardship and Sustainability Course - 5, 7 & 9 December 2022**

ICGN Governance, Stewardship and Sustainability fast track training course will be taking place on the 5, 7 & 9 December 2022, from 15:00 - 17:30 GMT, running in three 2.5 hour webinars. As a governance professional, the course provides you with the need-to-know knowledge regarding the theoretical, empirical and especially practical aspects of integrating ESG into investor and company decision making. To register visit [www.icgn.org/gssdecember](http://www.icgn.org/gssdecember) or email Hannah Gardner (Education and Events Coordinator) [athannah.gardner@icgn.org](mailto:athannah.gardner@icgn.org).

*For details:*

[https://www.icsi.edu/media/webmodules/29112022\\_ICGN.pdf](https://www.icsi.edu/media/webmodules/29112022_ICGN.pdf)

### **Obtaining the Mandatory CPE Credits for the year 2022-23**

The ICSI (Continuous Professional Education) Guidelines, 2019 were issued by the Institute effective from April 1, 2020, to enable the members to maintain the optimum level of professional competence and to ensure high quality and standards in the professional services rendered by them. The members are requested to complete their CPE Credits for the year 2022-23 (April 1, 2022 to March 31, 2023) as per ICSI (Continuous Professional Education) Guidelines, 2019 latest by March 31, 2023.

*For details:*

[https://www.icsi.edu/media/webmodules/CPE\\_Credits\\_29122022.pdf](https://www.icsi.edu/media/webmodules/CPE_Credits_29122022.pdf)

# Ministry of Corporate Affairs

## Info Capsule Series 14

### **MCA observes Special Campaign 2.0 for Swachhata in Government Offices and Disposal of Pending Matters from 2nd October to 31st October, 2022 (October 31, 2022)**

The Ministry of Corporate Affairs (MCA), Government of India, has been actively carrying out the Special Campaign 2.0 for Swachhata in Government Offices and Disposal of Pending Matters from 2nd October to 31st October, 2022. Vigorous efforts were made to bring down all Pendency identified during Preparatory phase. Progress in different parameters have been constantly monitored by the Senior Level Officers.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1872333>

### **The Companies (Registered Valuers and Valuation) Amendment Rules, 2022 (November 21, 2022)**

The Ministry of Corporate Affairs (MCA) vide its notification dated November 21, 2022 has notified “the Companies (Registered Valuers and Valuation) Amendment Rules, 2022” which has come into force on the date of its publication in the Official Gazette.

According to the amendment new rule 7A is inserted specifying provisions pertaining to intimation of changes in personal details etc., by registered valuer to authority: a registered valuer shall intimate the authority for change in the personal details, or any modification in the composition of partners or directors, or any modification in any clause of the partnership agreement or Memorandum of Association, which may affect registration of registered valuer, after paying fee as per the Table -I in Annexure V.

Further, rule 14A is inserted specifying provisions pertaining to intimation of changes in composition of governing board, etc. by the registered valuers organisations to the authority: a registered valuers organisation shall intimate the authority for change in composition of its governing board, or its committees or appellate panel, or other details, after payment of fee as per the Table II in Annexure V.”

*For details:*

<https://www.mca.gov.in/bin/dms/getdocument?mds=jf9MSWpybbeJiak1ynOMQQ%253D%253D&type=open>

### **IICA launches ESG Impact Leader Programme (December 20, 2022)**

Indian Institute of Corporate Affairs, an autonomous institution under the aegis of the Ministry of Corporate Affairs, Government of India has launched a programme to create Impact Leaders in the areas of Environmental-Social-Governance (ESG). Secretary, Ministry of Environment, Forest and Climate Change, Govt. of India Ms Leena Nandan was the Chief Guest at the launch. Shri Sudhir Kumar, Advisor (Industries), NITI Aayog, Govt. of India; Shri Praveen Kumar, Director General and CEO, Indian Institute of Corporate Affairs (IICA); Dr. Mukun Rajan, ESG Expert; Ms Geetanjali Prasad, Partnership Specialist, Unicef; and Dr. Garima Dadhich, Head, School of Business Environment, IICA also addressed the participants at the launch.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1885103>

### **Ministry of Corporate Affairs-Important Update (December 26, 2022)**

The Ministry of Corporate Affairs is launching Second set of Company Forms covering 56 forms in two different lots on MCA21 V3 portal. 10 out of 56 forms will be launched on 09th January 2023 at 12:00 AM and the remaining 46 forms on 23rd January 2023. Following forms will be rolled-out on 09th January 2023: SPICe+ PART A, SPICe+ PART B, RUN, AGILE PRO-S, INC-33, INC34, INC-13, INC-31, INC-9 and URC-1. Click the below link to view list of 46 forms which will be rolled-out on 23rd January 2023. To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points:

- 1) Company e-Filings on V2 portal will be disabled from 07th January 2023 12:00 AM to 08th January 2023 11:59 pm for 10 forms which are planned for roll-out on 09th January 2023.
- 2) Company e-Filings on V2 portal will be disabled from 07th January 2023 12:00 AM to 22nd January 2023 11:59 pm for 46 forms which are planned for roll-out on 23rd January 2023.
- 3) All stakeholders are advised to ensure that there are no SRNs in pending payment and Resubmission status.
- 4) Offline payments for the above 56 forms in V2 using Pay later option would be stopped from 28th December 2022 12:00 AM. You are requested to make payments for these forms in V2 through online mode (Credit/Debit Card and Net Banking).
- 5) In view of the upcoming launch of 56 Company forms, V3 portal will not be available from 07th January 2023 12:00 AM to 08th Jan 2023 11:59 pm due to 10 company forms roll-out and from 21st January 2023 to 22nd January 2023 for 46 company forms roll-out.
- 6) V2 Portal for company filing will remain available for all the forms excluding above mentioned 56 forms. Stakeholders may plan accordingly.

*For details:*

<https://www.mca.gov.in/content/dam/mca/configurations/newforms-20221226.pdf>

# Ministry of Finance

## Info capsule 14

### **Central Government has notified India Infrastructure Project Development Fund Scheme (November 03, 2022)**

Central Government has notified a Scheme for Financial Support for Project Development Expenses of PPP Projects-‘IIPDF Scheme’ (India Infrastructure Project Development Fund Scheme). The Department of Economic Affairs (DEA) has identified IIPDF Scheme as a mechanism through which Project Sponsoring Authority will be able to source funding to cover the PPP transaction costs, thereby reducing the impact of costs related to procurement of TAs on their budgets. From Government of India’s perspective, the IIPDF Scheme will increase the quality and quantity of PPP projects that are processed through the Central or States’ project pipeline. Funding under the IIPDF Scheme is available to the Project Sponsoring Authorities for PPP projects for the purpose of meeting the project development costs which may include the expenses incurred by the Project Sponsoring Authority in respect of feasibility studies, environment impact studies, financial structuring, legal reviews and development of project documentation, including concession agreement, commercial assessment studies (including traffic studies, demand assessment, capacity to pay assessment), grading of projects etc. required for achieving Technical Close of such projects, on individual or turnkey basis, but would not include expenses incurred by the Project Sponsoring Authority on its own staff. The funding under IIPDF Scheme can be availed to finance the cost of consultants and transaction advisors on a PPP project.

*For details:*

*<https://egazette.nic.in/WriteReadData/2022/240026.pdf>*

**Signing of arrangement regarding Republic of Korea's Economic Development Cooperation Fund (EDCF) loan to India (November 30, 2022)**

The arrangement between Government of India and Government of Republic of Korea regarding the Economic Development Cooperation Fund (EDCF) loan of Korean Won 245.081 billion (approx. Rs. 1,495.68 crore) for Establishment of Intelligent Transport System on Nagpur Mumbai Super Communication Expressway Project was signed on November 30, 2022. The objectives of the project are to enhance the efficiency in traffic management through establishment of the Intelligent Traffic Management System (ITMS) and traffic centre, to improve the efficiency in toll management through the establishment of the Toll Collection System (TCS) and to establish a sustainable model of ITS and its O&M through transfer of technology from the Republic of Korea.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1880043>

**IDBI Bank will continue primary dealer business even if foreign bank acquires majority stake: Finance Ministry (December 06, 2022)**

According to the Finance Ministry, IDBI Bank would keep operating its primary dealer business even if a foreign bank acquires majority stake and management control in the private sector bank. IDBI Bank is involved in market-making activities for G-Secs, including T-bills, as a primary dealer business. The treasury of IDBI actively engages in the primary auction of Government bonds.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-bank-tocontinue-primary-dealer-business-even-if-foreign-bank-acquires-majoritystake/articleshow/96034338.cms>

**1st Finance & Central Bank Deputies Meeting under the G20 Presidency of India scheduled to be held during 13-15 December 2022 in Bengaluru (December 11, 2022)**

The first G20 Finance and Central Bank Deputies (FCBD) meeting is scheduled to be held during 13-15 December 2022 in Bengaluru. This meeting, which will mark the start of discussions on the Finance Track agenda under the Indian G20 Presidency, will be hosted jointly by the Ministry of Finance and the Reserve Bank of India. The G20 Finance Track, led by Finance Ministers and Central Bank Governors of G20 countries, focuses on economic and financial issues. It provides an effective forum for global economic discourse and policy coordination. The First Finance Ministers and Central Bank Governors Meeting will be held during 23-25 February 2023 in Bengaluru.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1882437>

**More than 12 lakh loans extended in rural areas across the country between April, 2020 and November, 2022 (December 12, 2022)**

As per the data provided by Public Sector Banks, more than 12 lakh loans have been extended in rural areas across the country, after the Covid period i.e. from April, 2020 to November, 2022. This was stated by Union Minister of State for Finance Dr Bhagwat Kisanrao Karad in a written reply to a question in Lok Sabha on December 12, 2022.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1882750>

**More than 37.76 crore loans amounting to over Rs. 20.43 lakh crore disbursed since inception of Pradhan Mantri Mudra Yojana (December 12, 2022)**

As per data uploaded by the Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) on Mudra portal, as on 25.11.2022, more than 37.76 crore loans amounting to over Rs. 20.43 lakh crore have been disbursed since inception of the Scheme in April 2015.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1882885>

**Shaji K V takes over charge as NABARD Chairman (December 12, 2022)**

Shaji K V has taken the charge as Chairman of National Bank for Agriculture and Rural Development (NABARD) with effect from December 07, 2022, the Government on December 12, 2022 informed Parliament. He has taken over from Suchindra Misra, Additional Secretary, Department of Financial Services, Ministry of Finance, who was holding additional charge, Minister of State for Finance Bhagwat Karad said in a written reply to the Lok Sabha.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/shaji-k-vtakes-over-charge-as-nabard-chairman/articleshow/96174303.cms>

**Digital lending apps: RBI received 13,000 complaints against banks, NBFCs (December 12, 2022)**

The RBI has received about 13,000 complaints against banks and Non-Banking Finance Companies (NBFCs) about their digital lending applications and harassment by recovery agents. The grievances were filed under the banking regulator's integrated ombudsman scheme of 2021 during the past 19 months (April 2021-November 2022), said Bhagwat Karad, Minister of State, Ministry of Finance, in a written response to Parliament.

*For details:*

[https://www.business-standard.com/article/finance/digital-lending-apps-rbi-received13-000-complaints-against-banks-nbfcs-122121200895\\_1.html](https://www.business-standard.com/article/finance/digital-lending-apps-rbi-received13-000-complaints-against-banks-nbfcs-122121200895_1.html)

### **Sovereign Gold Bond Scheme 2022-23 (December 15, 2022)**

The Government of India, in consultation with the Reserve Bank of India, has decided to issue Sovereign Gold Bonds in tranches. The Sovereign Gold Bonds (SGBs) will be sold through Scheduled Commercial banks (except Small Finance Banks, Payment Banks and Regional Rural Banks), Stock Holding Corporation of India Limited (SHCIL), Clearing Corporation of India Limited (CCIL), designated post offices, and recognised stock exchanges viz., National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1883908>

### **Fugitive economic offenders defaulted on Rs. 37,186- crore loan repayment: Finance Ministry (December 21, 2022)**

Seven fugitive economic offenders, including Vijay Mallya, Nirav Modi and Mehul Choksi, have not repaid loans of Rs. 37,186 crore, the finance ministry informed Parliament on December 21, 2022. The other such economic offenders, declared fugitive after 2014, are Sterling Biotech's Nitin Jayantilal Sandesara, Chetan kumar Jayantilal Sandesara, Dipti Chetan Sandesara and Hitesh Kumar Narendrabhai Patel.

*For details:*

<https://www.financialexpress.com/industry/bankingfinance/fugitive-economic-offenders-defaulted-on-rs-37186-crore-loan-repayment-finance-ministry/2920959/>

### **Quarterly Report on Public Debt Management for JulySeptember 2022 (December 27, 2022)**

The Budget Division, Department of Economic Affairs, Ministry of Finance, brings out the Quarterly Report on Public Debt Management for July-September 2022. Since April-June (Q1) 2010-11, Public Debt Management Cell (PDMC) of the Budget Division has been bringing out a quarterly report on debt management on a regular basis. The current report pertains to the quarter JulySeptember (Q2 FY23). During Q2 of FY23, the Central Government raised an amount worth ₹4,06,000 crore through dated securities, as against notified amount of ₹4,22,000 crore in the borrowing calendar, while repayments were at ₹92,371.15 crore.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1886817>

### **Calendar for Auction of Government of India Treasury Bills (For the Quarter ending March 2023) (December 29, 2022)**

The Government of India, in consultation with the Reserve Bank of India, will have the flexibility to modify the notified amount and timing for auction of Treasury Bills depending upon the requirements of the Government of India, evolving market conditions and other relevant factors, after giving due notice to the market.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1887382>

# Securities Laws & Capital Markets

## Info Capsule Series 14

### **Merchant bankers can't undertake any business other than those related to securities market: SEBI (October 18, 2022)**

A merchant banker cannot carry on any business other than those pertaining to the securities market, according to the capital markets regulator SEBI. Providing an informal guidance in this regard to PNB Investment Services, an arm of Punjab National Bank (PNB), the Securities and Exchange Board of India (SEBI) indicated that its views might differ on a case-to-case basis. The clarification came after PNB Investment Services, which is registered as a merchant banker, sought informal guidance on whether it can act as a direct selling agent by starting a fresh business vertical for marketing retail products such as home loans, car loans on behalf of PNB or other banks.

*For details:*

<https://www.moneycontrol.com/news/business/markets/merchant-bankers-cantundertake-any-business-other-than-those-related-to-securities-market-sebi-9348801.html>

### **SEBI allows brokers to place bids on RFQ platform on behalf of clients to boost corporate bond market (October 20, 2022)**

Capital markets regulator SEBI allowed stockbrokers to place bids on the RFQ platform on behalf of their clients to facilitate wider participation in the corporate bond market. This is in addition to the existing option of placing bids in a proprietary capacity, the Securities and Exchange Board of India (SEBI) said in a circular. The RFQ or Request for Quote platform is a system or interface for inviting and/or giving quotes on an electronic platform. The platform was introduced as a 'participant-based' model, wherein all regulated entities, listed corporate bodies, institutional investors and all Indian financial institutions were eligible to register, access and transact.

*For details:*

<https://www.moneycontrol.com/news/business/markets/sebi-allows-brokers-to-placebids-on-rfq-platform-on-behalf-of-clients-to-boost-corporate-bond-market-9365061.html>

**Calcutta Stock Exchange plans to provide access to IFSC for its trading members (October 24, 2022)** In a bid to stay afloat, the Calcutta Stock Exchange (CSE) was mulling offering its members access to the international financial services centre in Gujarat's GIFT City so that they can trade in foreign stocks. An international financial services centre (IFSC) is an entity that helps customers transact financial services outside the jurisdiction of the domestic economy. Since April 2013, trading through the CSE's own platform is halted after market regulator SEBI directed it not to continue with the clearing and settlement activities.

*For details:*

<https://www.moneycontrol.com/news/business/cseplans-to-provide-access-to-ifsc-for-its-trading-members9384681.html>

**SEBI clarifies on block mechanism facility pertaining to demat accounts (October 27, 2022)**

Capital markets regulator SEBI said block mechanism facility pertaining to demat accounts will not be applicable for clients having arrangements with custodians for clearing and settling trades. In order to safeguard investors' demat accounts, the Securities and Board of India (SEBI) in August said the facility of block mechanism will be mandatory for all early pay-in transactions from November 14, 2022. Currently, the facility is optional for investors. The early pay-in mechanism is used by traders to reduce their margin obligations. Under the block mechanism, shares of a client intending to make a sale transaction will be blocked in the client's demat account in favour of the clearing corporation concerned.

*For details:*

<https://www.moneycontrol.com/news/business/markets/sebi-clarifies-on-block-mechanism-facility-pertaining-to-demat-accounts-9400751.html>

**Using tech to crack down on insider trading: SEBI's Madhabi Puri Buch (October 28, 2022)**

The Securities and Exchange Board of India (SEBI) is working on various ways to crack down on serious offences such as front-running and insider trading using sophisticated data and technology. The market regulator has increased the use of data and analytics for surveillance and regular inspections, Chairperson Madhabi Puri Buch said at an event organised by IIM-Bengaluru. By application of simple logic and in-house software, SEBI is able to identify insider trading and front-running too, she said.

*For details:*

[https://www.business-standard.com/article/markets/sebi-developing-algos-to-spot-mis-selling-other-violations-chairperson-122102800827\\_1.html](https://www.business-standard.com/article/markets/sebi-developing-algos-to-spot-mis-selling-other-violations-chairperson-122102800827_1.html)

### **Panel allows refunds up to Rs 15,000 to PACL investors (October 31, 2022)**

A high-powered committee that is looking into refunds for PACL investors allowed payments to applicants having claims of up to Rs 15,000. The refund process of up to Rs 15,000 claims will be allowed from November 1, 2022, to January 31, 2023. SEBI has created an online portal to process investors' refunds. According to a public notice on SEBI's website, investors having claims up to Rs 15,000 can log in at [www.sebipaclrefund.co.in](http://www.sebipaclrefund.co.in) to apply for refunds, check their status and rectify deficiencies, if any, in their applications.

*For details:*

<https://www.moneycontrol.com/news/business/panel-allows-refunds-up-to-rs-15000-topacl-investors-9422891.html>

### **SEBI issues guidelines to standardise CRAs' rating scales (October 31, 2022)**

Capital markets regulator SEBI came out with fresh guidelines in order to standardise the usage of rating scales used by Credit Rating Agencies (CRAs). Issuer rating or corporate credit rating indicates the degree of safety of the issuer or the rated entity with regard to timely servicing of all its debt obligations. Pursuant to the consultation with the CRAs, standardised symbols and their definitions have been devised for issuer rating or corporate credit rating, the Securities and Exchange Board of India (SEBI) said in a circular, adding that the new guidelines will come into force from January 1, 2023.

*For details:*

<https://www.moneycontrol.com/news/economy-2/sebi-issues-guidelines-to-standardisecras-rating-scales-9421091.html>

### **SEBI's refund to Sahara investors reach Rs 138 crore since 2012 (November 02, 2022)**

SEBI has processed Rs 138 crore refunds to investors of two Sahara companies in a decade, while the amount deposited in specially-opened bank accounts for the repayment has risen to over Rs 24,000 crore. These disclosures have been made by the Securities and Exchange Board of India (SEBI) in its latest annual report. In the absence of claims from a majority of the bondholders of the two Sahara companies, which were asked to return the money to nearly 3 crore investors along with interest in August 2012 through a Supreme Court order, the total amount refunded by SEBI rose by just about Rs 9 crore during the last fiscal, 2021-22, while the balance in SEBI-Sahara refund accounts rose by Rs 1,515 crore during the year.

*For details:*

[https://www.business-standard.com/article/markets/sebi-srefund-to-sahara-investors-reach-rs-138-crore-since-2012-122110201415\\_1.html](https://www.business-standard.com/article/markets/sebi-srefund-to-sahara-investors-reach-rs-138-crore-since-2012-122110201415_1.html)

### **The growing clout of finfluencers is putting SEBI regulations to test (November 04, 2022)**

With people increasingly turning to social media for tips and hacks, financial influencers - or finfluencers, as they are called - are gaining clout. Armed with millions of followers, they have the power to influence stock prices or boost a mutual fund (MF) offering. This has posed a regulatory dilemma for the Securities and Exchange Board of India (SEBI). While the market regulator cannot control every social media post, it realises the need for clearer norms to govern and increase the accountability of finfluencers. Sources said SEBI is considering ways through which such finfluencers can be brought under the regulatory net without trampling on any freedom of expression. At present, anyone doling out financial advice has to register as an investment adviser (IA) and comply with SEBI's IA regulations.

*For details:*

[https://www.business-standard.com/article/markets/the-growing-clout-of-finfluencers-is-putting-sebi-regulations-to-test-122110300460\\_1.html](https://www.business-standard.com/article/markets/the-growing-clout-of-finfluencers-is-putting-sebi-regulations-to-test-122110300460_1.html)

**SEBI closes 107 cases under settlement mechanism in FY22; collects Rs 59 cr (November 06, 2022)** As many as 107 applications pertaining to flouting of securities law were settled with capital markets regulator SEBI fetching Rs 59 crore through settlement charges in 2021-22. This was way lower than 216 applications disposed of by passing appropriate settlement orders and the regulator collected Rs 68.23 crore in 2020-21, according to the latest disclosure made by SEBI in its annual report. The settlement orders were passed in cases related to alleged violations of AIF (Alternative Investment Funds) as well as mutual fund norms, insider trading rules, PFUTP (Prohibition of Fraudulent and Unfair Trade Practices) and LODR (Listing Obligations and Disclosure Requirements) rules, among others. Under the settlement mechanism, an alleged wrongdoer can settle a pending case with the regulator without admission or denial of guilt by paying a settlement fee. The settlement mechanism is a tool for ensuring speedy and efficient resolution of disputes.

*For details:*

[https://www.business-standard.com/article/markets/sebi-closes-107-cases-under-settlement-mechanism-in-fy22-collects-rs-59-cr-122110600190\\_1.html](https://www.business-standard.com/article/markets/sebi-closes-107-cases-under-settlement-mechanism-in-fy22-collects-rs-59-cr-122110600190_1.html)

**Reliance Strategic Investments appoints K V Kamath as Independent Director (November 04, 2022)** Reliance Strategic Investments (RSIL) appointed K V Kamath as non-executive Chairman. RSIL will be renamed as Jio Financial Services (JFSL) & will be listed soon. K V Kamath will continue as Independent Director & non-executive Chairman of JFSL. Kamath is a banker who started his career in 1971 at ICICI. In 1988, he moved to the Asian Development Bank and spent several years in South East Asia before returning to the ICICI as its Managing Director and CEO in 1996 and post its merger into ICICI Bank, was Managing Director and CEO of ICICI Bank.

*For details:*

[https://www.business-standard.com/article/companies/reliance-strategic-investments-appoints-k-v-kamath-as-independent-director-122110401411\\_1.html](https://www.business-standard.com/article/companies/reliance-strategic-investments-appoints-k-v-kamath-as-independent-director-122110401411_1.html)

### **Separate MII functions into three verticals, recommends SEBI expert panel (November 10, 2022)**

An expert group constituted by the Securities and Exchange Board of India (SEBI) to strengthen governance at market infrastructure institutions (MIIs) has suggested the creation of three distinct verticals to avoid conflict of interest. These include critical operations; regulatory, compliance and risk management and other functions such as business development. The committee has recommended that in terms of hierarchy, the key managerial personnel (KMPs) of all three verticals will be at par. However, in terms of resource allocation and utilisation, the functions under the first two verticals separately should be given higher priority. MIIs are considered to be the pillars of the stock market ecosystem. These include stock exchanges, clearing corporations and depositories.

*For details:*

[https://www.business-standard.com/article/markets/separate-mii-functions-into-three-verticals-recommends-sebi-expert-panel-122110901707\\_1.html](https://www.business-standard.com/article/markets/separate-mii-functions-into-three-verticals-recommends-sebi-expert-panel-122110901707_1.html)

### **SEBI issues new format for disclosing payment of fees (November 10, 2022)**

SEBI issued a new format for disclosing details pertaining to payment of fees applicable under the issuance of debt securities rules. In July, SEBI said that market infrastructure institutions, including stock exchanges, registered intermediaries and companies that have listed or are intending to list their securities on a stock exchange have to pay 18 per cent GST on the fees charged by the regulator. This is also applicable for persons who are dealing in the securities market. The tax rate was effective from July 18, 2022.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-issues-new-format-for-disclosing-payment-of-fees/articleshow/95432511.cms>

### **SEBI seeks to protect public shareholders' interests during CIRP (November 10, 2022)**

The Securities and Exchange Board of India (SEBI) has proposed a framework to protect the interests of public equity shareholders in case of listed companies undergoing insolvency proceedings. In a discussion paper, the capital markets regulator has proposed that public equity shareholders should get an opportunity to acquire shares of the entity created, following the completion of the corporate insolvency resolution process (CIRP). SEBI has said the price offered to these shareholders should be the same as the one agreed upon by the resolution applicant. The framework, once in effect, will help small stakeholders get an opportunity to participate in the revival process of the company going through insolvency.

*For details:*

[https://www.business-standard.com/article/markets/market-regulator-sebi-bats-for-protection-of-equity-holders-during-cirp-122111001492\\_1.html](https://www.business-standard.com/article/markets/market-regulator-sebi-bats-for-protection-of-equity-holders-during-cirp-122111001492_1.html)

### **Market regulator SEBI plans to streamline disclosure framework (November 14, 2022)**

The Securities and Exchange Board of India (SEBI) has plans to give a fillip to disclosure requirements to encourage better information symmetry at listed firms. Under the current regulations, companies need to disclose any event such as acquisition, merger, demerger, restructuring, or sale of any unit which will have an impact on the business. In its consultation paper dated November 12, SEBI has proposed new thresholds for so-called 'material disclosures'. Under this, if an event is expected to impact at least 2 per cent of a company's turnover, 2 per cent of net worth, or 5 per cent of the three-year-average profit or loss after tax will be seen as 'material disclosure'.

*For details:*

[https://www.business-standard.com/article/economy-policy/market-regulator-sebi-plan-to-give-a-fillip-to-disclosure-requirements-122111401473\\_1.html](https://www.business-standard.com/article/economy-policy/market-regulator-sebi-plan-to-give-a-fillip-to-disclosure-requirements-122111401473_1.html)

### **SEBI amends rules; introduces new option for appointment, removal of independent directors (November 15, 2022)**

Capital markets regulator has introduced a new option for appointment and removal of independent directors from the boards of companies, a move that will provide flexibility to such a process. Under this, the appointment and removal of independent directors could be done by way of two parameters - threshold for ordinary resolution and threshold for majority of minority shareholders. Currently, the appointment, re-appointment or removal of independent directors is made through a special resolution. For a special resolution to be passed, 75 per cent of 'yes' votes are needed from a company's board. To give these effects, SEBI has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-amends-rules-introduces-new-option-for-appointment-removal-of-independent-directors/articleshow/95532407.cms>

### **SEBI plans to put in place cyber security framework for stock brokers (November 16, 2022)**

SEBI is planning to come out with a cyber-security framework for stock brokers that will help in reducing the impact of potential risks by cyber fraud, data leaks and hacking of trading accounts. The framework, aimed at protecting stock brokers as well as their clients, would include measures, tools and processes that are intended to prevent cyberattacks and improve cyber resilience. The move is part of the capital markets regulator's investors safeguard mechanism.

*For details:*

<https://www.moneycontrol.com/news/business/markets/sebi-plans-to-put-in-place-cyber-security-framework-for-stock-brokers-9545541.html>

### **Market regulator SEBI proposing to revamp the share buyback process (November 16, 2022)**

The Securities and Exchange Board of India (SEBI), floated a consultation paper proposing to revamp the share buyback process. The new framework proposes to cut the time period taken for completion of buybacks, enhance the amount companies can repurchase vis-à-vis their free reserves and reduce the cooling-off period between two buybacks. Currently, companies can buyback only 25 per cent of the paid-up capital and free reserves under the tender route. SEBI has proposed an increase in it to 40 per cent. The move will help companies return a greater amount to shareholders in the form of buyback. Further, the committee has suggested that companies should be allowed to undertake two buybacks during a 12-month period as opposed to just one at present.

*For details:*

[https://www.business-standard.com/article/markets/sebi-mulling-overhaul-of-buybackregulations-122111601506\\_1.html](https://www.business-standard.com/article/markets/sebi-mulling-overhaul-of-buybackregulations-122111601506_1.html)

### **SEBI to roll out guidelines for financial influencers on social media (November 17, 2022)**

SEBI is working on guidelines to regulate financial influencers on various social media platforms, including YouTube, Instagram and Twitter. The move from capital market watchdog comes after the increasing number of social media influencers on multiple social media platforms that advise and recommend trades without a license. The market regulator is likely to roll out guidelines to govern the growing base of financial influencers on social media. The need for guidelines for social media influencers has been in buzz lately with the rising culture of application-based content, where popular influencers promote a particular asset without a proper license to do so.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-roll-out-guidelinesfor-financial-influencers-on-social-media/articleshow/95577926.cms>

### **SEBI notifies rules on dividend, redemption proceeds to mutual fund unit holders (November 17, 2022)**

Capital markets regulator SEBI has notified new rules for asset management companies (AMCs) pertaining to transfer of dividend and redemption proceeds to mutual fund unit holders. Under this, every mutual fund and asset management company would be required to transfer to the unit holders the dividend payments and the redemption or repurchase proceeds within a period specified by SEBI. In case of failure to transfer the proceeds within the specified period, the AMC would be liable to pay interest to the unit holders for the period of such delay.

*For details:*

<https://www.moneycontrol.com/news/business/sebi-notifies-rules-on-dividendredemption-proceeds-to-mutual-fund-unit-holders-9554401.html>

### **SEBI plans to bring new complaints system (November 19, 2022)**

SEBI is planning to overhaul the existing investors complaint system SCORES by introducing a newer version of its website and mobile application features. In this regard, SEBI has invited expressions of interest (EoIs) from interested parties to replace the old system with a new version. SCORES (SEBI Complaints Redressal System) is an online platform designed to help investors lodge their complaints pertaining to the securities market, mainly against listed companies and registered intermediaries. It was made operational in June 2011.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-plans-to-bring-new-complaintssystem/articleshow/95618399.cms>

### **SEBI extends deadline for public comments on cloud framework paper (November 22, 2022)**

Capital markets regulator SEBI has extended till November 28, 2022 the deadline for public comments on the consultation paper for cloud framework. The deadline for submission of public comments on the consultation paper, which was floated on November 4, was scheduled to end on November 14. In early November, the regulator proposed a cloud framework for its regulated entities, highlighting key risks and control measures that need to consider before adopting cloud-based solutions.

*For details:*

[https://www.business-standard.com/article/markets/sebi-extends-deadline-for-publiccomments-on-cloud-framework-paper-122112200939\\_1.html](https://www.business-standard.com/article/markets/sebi-extends-deadline-for-publiccomments-on-cloud-framework-paper-122112200939_1.html)

### **NSE proposes XBRL for all corporate announcements (November 24, 2022)**

The National Stock Exchange (NSE) has proposed the use of the XBRL (extensible Business Reporting Language) format for all key and sensitive corporate announcements made by listed entities. Currently, listed companies are mandated to use the above format to report their quarterly earnings on bourses under SEBI listing rules. Earlier, companies could submit their financials through a simple PDF (portable document format). The challenge with PDF is that investors cannot search specific and in many instances timesensitive information quickly. XBRL is a searchable format which brings all information pertaining to the company at one place. It is an internationally mandated format for reporting.

*For details:*

<https://www.moneycontrol.com/news/business/markets/nse-proposes-xbrl-for-allcorporate-announcements-9594911.html>

### **SEBI bars AIFs working on priority distribution model from making fresh investments (November 23, 2022)**

SEBI barred Alternative Investment Funds (AIF) schemes having priority distribution model from making investments in a new investee company. The capital market regulator has stopped such investments till it takes a view on this. The new rule will come into force with immediate effect, the regulator said. Explaining the logic, the regulator said it has observed that certain schemes of AIFs have adopted a distribution waterfall in such a way that one class of investors share loss more than pro rata to their holding in the AIF than other classes of investors or unit holders, since the later has priority in distribution over former.

*For details:*

<https://www.moneycontrol.com/news/business/sebi-bars-aifs-working-on-prioritydistribution-model-from-making-fresh-investments-9589501.html>

### **SEBI revises framework for approving changes in control of stock brokers (November 28, 2022)**

SEBI has put in place a revised framework for seeking its prior approval for changes in control of stock brokers, depository participants and other market intermediaries. The framework will be applicable for stock broker/clearing member, depository participant, investment adviser, research analyst or research entity, registrar to an issue and share transfer agent and KYC (Know Your Client) Registration Agencies (KRAs). In a circular on Monday, the regulator said the changes have been made to streamline the process of providing approval to the proposed change in control of the entities. Under the provisions, which will be effective from December 1, 2022 an intermediary should apply online for SEBI's prior approval and along with the application, the entity concerned has to submit various details, including the current and proposed shareholding pattern of the applicant.

*For details:*

[https://www.business-standard.com/article/economypolicy/sebi-revises-framework-for-approving-changes-incontrol-of-stock-brokers-122112800871\\_1.html](https://www.business-standard.com/article/economypolicy/sebi-revises-framework-for-approving-changes-incontrol-of-stock-brokers-122112800871_1.html)

### **SEBI set-ups panel to review takeover rules (November 29, 2022)**

SEBI has set up a high-level panel to review the takeover norms in a move to simplify and strengthen the current rules by adopting appropriate global practices. Also, the regulator will assess the current rules in the light of past judicial pronouncements and various informal guidelines issued by the capital markets regulator. The 20-member committee will be chaired by former Chief Justice of Punjab and Haryana High Court, Shiavax Jal Vazifdar, an update with the regulator's website showed. The panel, which has representatives of SEBI, stock exchanges BSE and NSE as well as law firms, will advise the regulator on matters related to substantial acquisition of shares and takeovers including measures to facilitate ease of doing business.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-set-ups-panel-toreview-takeover-rules/articleshow/95857845.cms>

### **SEBI sets lower single-issuer limits for mutual fund debt schemes (November 29, 2022)**

The Securities and Exchange Board of India (SEBI) has introduced a credit-rating based single issuer limit for actively managed mutual fund schemes, potentially lowering the investment threshold in lower-rated papers. Asset management companies (AMCs) have been directed not to invest more than 10 per cent of the scheme's net asset value (NAV) in AAA-rated debt and money market securities from a single issuer. Schemes will have to limit their exposure at 8 per cent for AA-rated issuers while for instruments below A-rating, 6 per cent has been set as the threshold. These limits will apply to schemes other than credit risk funds.

*For details:*

[https://www.business-standard.com/article/markets/sebi-lowers-single-issuer-limits-for-debt-mutual-fund-schemes-122112901190\\_1.html](https://www.business-standard.com/article/markets/sebi-lowers-single-issuer-limits-for-debt-mutual-fund-schemes-122112901190_1.html)

### **AI deployed by watchdog to sniff out misleading stock tips on TV shows (December 01, 2022)**

In-house artificial intelligence developed by the market regulator has been let loose on TV shows offering stocks tips for ferreting out any signs of insider trading and front running as part of the SEBI of India's plans to crack down on share offences. The inhouse system called Picture based Information News Accumulator and Key Information Analyser (Pinaka) will comb through television channels that typically beam in-house or third party suggestions including buy or sell calls. Pinaka will be comparing the stock recommendations it sees and hears on TV with the trades of the person spouting them on TV to look for any signs of securities offences such as insider trading and front running. The move comes as calls mount for shielding retail investors against stock tips and recommendations that could mislead their hardearned money aiming to make the most of the ongoing stock markets boom.

*For details:*

<https://www.moneycontrol.com/news/business/markets/ai-deployed-by-watchdog-to-sniff-out-misleading-stock-tips-on-tv-shows-9630351.html>

### **SEBI reduces timeline to list debt securities issued on private placement basis (November 30, 2022)**

SEBI reduced the timeline for listing of debt securities issued on a private placement basis to three days. Currently, the timeline is four days and the latest move would also expedite the availability of securities for trading by the investors. SEBI has listed out the steps involved in pre-listing and post-listing along with relevant timelines, both through Electronic Book Provider (EBP) platform and otherwise. This is to provide more clarity and standardisation in the process of issuance and listing of such securities on the private placement basis. The new guidelines would come into effect from January 1, 2023.

*For details:*

[https://www.business-standard.com/article/markets/sebi-reduces-timeline-to-list-debt-securities-issued-on-pvt-placement-basis-122113000983\\_1.html](https://www.business-standard.com/article/markets/sebi-reduces-timeline-to-list-debt-securities-issued-on-pvt-placement-basis-122113000983_1.html)

### **SEBI asks MFs to be vigilant against fraud groups on Telegram app, take action if needed (December 02, 2022)**

SEBI has asked mutual fund houses to be vigilant against dubious groups misrepresenting themselves as registered fund managers on messenger platform Telegram. The word of caution from the regulator comes following observations of such acts on the platform where certain groups have been misusing and misrepresenting some asset management companies. According to reports, the regulator has mentioned some of the Telegram groups misrepresenting mutual fund houses. If an AMC comes across any activities or posts on social media that are dubious in nature, it should be prompt in taking appropriate actions and make it public and file a police complaint, the regulator said.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-asks-mfs-to-be-vigilant-of-fraud-groups-on-telegramapp-take-action-if-needed/articleshow/95941775.cms>

### **SEBI likely to relax regulatory norms for Centre for PSU disinvestment (December 06, 2022)**

SEBI can relax regulatory norms for the central government in relation to strategic disinvestment of Public Sector Undertakings (PSUs), according to a notification. "The Board (SEBI) may after due consideration of the interest of the investors and the securities market and for the development of the securities market, relax the strict enforcement of any of the requirements of these regulations if an application is made by the Central Government in relation to its strategic disinvestment in a listed entity," SEBI said in a notification made public on December 06, 2022 (Tuesday). To give this effect, the regulator has amended LODR (Listing Obligations and disclosure Requirements) norms.

*For details:*

[https://www.business-standard.com/article/markets/sebi-likely-to-relax-regulatory-norms-for-centre-for-psu-disinvestment-122120600935\\_1.html](https://www.business-standard.com/article/markets/sebi-likely-to-relax-regulatory-norms-for-centre-for-psu-disinvestment-122120600935_1.html)

### **FinMin allows PSUs to invest in debt schemes of all mutual funds (December 07, 2022)**

The finance ministry in an office memorandum allowed public sector undertakings (PSUs) to invest in debt schemes of all mutual funds. Earlier, provisions limited central public sector enterprises (CPSEs) to investment in public sector mutual funds only, in which the government held more than 50 per cent share. The department of investment and public enterprises (DIPAM) in the official memorandum said the guidelines are based on proposals received from CPSEs, mutual funds and private sector banks citing liberalisation of policies and introduction of new monetary instruments for trade in short-term funds.

*For details:*

[https://www.business-standard.com/article/finance/finmin-allows-psus-to-invest-in-debt-schemes-of-all-mutual-funds-122120701306\\_1.html](https://www.business-standard.com/article/finance/finmin-allows-psus-to-invest-in-debt-schemes-of-all-mutual-funds-122120701306_1.html)

### **Paytm unveils buyback plan, says it has Rs. 9,182 crore cash in hand (December 09, 2022)**

One97 Communications, which operates under the Paytm brand, has said that the company's board will meet on December 13, 2022 to decide on a share buyback programme. Paytm has Rs. 9,182 crore of cash in hand and a large chunk of this pre-dates its Initial Public Offering (IPO). "The management believes that given the company's prevailing liquidity/financial position, a buyback may be beneficial for our shareholders," Paytm said in an exchange filing. The announcement comes when the company's shares were down over 75% from the IPO a year ago. Paytm's Rs. 18,600-crore IPO was the second-largest in the country after LIC and it valued the company at Rs. 1.4 lakh crore. Paytm has a current market cap of Rs. 33,003 crore.

*For details:*

<https://timesofindia.indiatimes.com/city/mumbai/paytm-unveils-buyback-plan-says-it-has-9182-crore-cash-in-hand/articleshow/96098806.cms>

**SEBI brings framework for foreign investment in Alternative Investment Funds (December 09, 2022)** SEBI came out with a framework for alternative investment funds (AIFs) raising capital from foreign investors. At the time of onboarding investors, the manager of an AIF would have to ensure that the foreign investor is a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's (IOSCO) Multilateral Memorandum of Understanding or a signatory to a bilateral Memorandum of Understanding with SEBI. Further, the investor contributing 25 per cent or more in the corpus should not be a person mentioned in the Sanctions List notified by the United Nations Security Council and should not be a resident in a country identified in the public statement of the Financial Action Task Force (FATF).

*For details:*

<https://www.moneycontrol.com/news/business/markets/sebi-brings-framework-for-foreign-investment-in-alternative-investment-funds-9679941.html>

### **SEBI diktat on AIFs may hit Cayman, UAE flows (December 13, 2022)**

The increased regulatory scrutiny on foreign investment in alternative investment funds (AIFs) could impact flows from Cayman Islands and the UAE, which are currently on the grey list put out by the Financial Action Task Force (FATF), a global watchdog that combats money laundering and terrorist financing. Currently, Indian AIFs get an estimated 10-15% from investors in Cayman Islands and UAE. On December 09, 2022, the Securities and Exchange Board of India (SEBI) said foreign investors or an investor group contributing 25% or more in an AIF or identified on the basis of control should not be on the sanctions list specified by the United Nations Security Council or a resident of a country with strategic anti-money laundering and terrorism deficiencies as per the FATF. The foreign investor should be a resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's multilateral or bilateral MoU with SEBI.

*For details:*

<https://www.financialexpress.com/market/sebi-diktat-on-aifs-may-hit-cayman-uae-flows/2910587/>

### **SEBI may prescribe higher net-worth needs for qualified stockbrokers (December 26, 2022)**

SEBI may prescribe higher net-worth requirements among other parameters for qualified stockbrokers (QSBs) who handle a substantial number of clients, funds, and trading volumes. The SEBI board has decided that QSBs will need to comply with enhanced risk management requirements and will be under enhanced monitoring by the regulator and market infrastructure institutions. According to SEBI, 16 brokers will fall under QSB parameters that will be issued separately.

*For details:*

[https://www.business-standard.com/article/markets/sebi-may-prescribe-higher-net-worthneeds-for-qualified-stockbrokers-122122500297\\_1.html](https://www.business-standard.com/article/markets/sebi-may-prescribe-higher-net-worthneeds-for-qualified-stockbrokers-122122500297_1.html)

### **SEBI expands committees on cyber security and information systems (December 26, 2022)**

SEBI has expanded two of its committees--High Powered Steering Committee on Cyber Security (HPSC-CS) and Information Systems Security Committee (ISSC)--in a bid to strengthen cyber security frameworks and cyber resilience requirements. The committee on cyber security has been expanded to eight members from six earlier. It will continue to be chaired by Navin Kumar Singh, DG at National Critical Information Infrastructure Protection Centre (NCIIPC). The eight-member committee oversees and provides guidance on cyber security initiatives, and advises SEBI in developing and maintaining cyber security and cyber resilience requirements aligned with global best practices and industry standards in accordance with the need of Indian capital market structure.

*For details:*

[https://www.business-standard.com/article/markets/sebi-expands-committees-on-cybersecurity-and-information-security-122122600854\\_1.html](https://www.business-standard.com/article/markets/sebi-expands-committees-on-cybersecurity-and-information-security-122122600854_1.html)

### **Market volatility forces many companies to let go of their IPO plans (December 28, 2022)**

In 2022, 59 companies raised Rs 59,332 crore through initial public offerings (IPOs). However, not everyone was lucky enough to realise their fund-raising plans. Market volatility forced several companies to let approval granted by the capital markets regulator – the Securities and Exchange Board of India (SEBI) – lapse. A company has to launch its IPO within one year after SEBI's final observations. In 2022, 28 such approvals lapsed. Together, they could have raised Rs 38,828 crore. The offer documents which expired in December could alone have raised Rs 10,350 crore. Industry players say some companies plan to re-file their draft red herring prospectus (DRHP) so that they can have another stab at listing. Meanwhile, some are looking at alternative ways of raising capital.

*For details:*

[https://www.business-standard.com/article/markets/market-volatility-forces-many-companiesto-let-go-of-their-ipo-plans-122122700861\\_1.html](https://www.business-standard.com/article/markets/market-volatility-forces-many-companiesto-let-go-of-their-ipo-plans-122122700861_1.html)

### **SEBI proposes regulatory framework for index providers, Rs 25 cr net worth (December 28, 2022)**

The Securities and Exchange of India (SEBI) is planning to introduce a regulatory framework for index providers, both domestic and foreign, for increasing transparency and accountability in governance and administration of the financial benchmarks. In the consultation paper floated on December 28, 2022, the capital markets regulator has proposed that the index providers offering indices for use in India will be required to register with SEBI for obtaining authorisation and must have a minimum net worth of Rs 25 crore. Regulations for index providers will prescribe provisions for eligibility criteria, compliance, disclosures, periodic audits, and penal action in case of non-compliance or incorrect disclosures.

*For details:*

*[https://www.businessstandard.com/article/markets/sebi-plans-to-introduceindex-providers-under-regulatory-framework122122801161\\_1.html](https://www.businessstandard.com/article/markets/sebi-plans-to-introduceindex-providers-under-regulatory-framework122122801161_1.html)*

# Direct Tax

## Info Capsule Series 14

### **Extension of due date for furnishing return of income for the Assessment Year 2022- 23 (October 27, 2022)**

In consequence to extension of due date for various reports of audit in the case of assessee referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act to 07th October 2022 by Circular No. 19/2022 dated 30.09.2022, the Central Board of Direct Taxes (CBDT) extends the due date of furnishing of Return of Income under sub-section (1) of section 139 of the Act for the Assessment Year 2022-23, which is 31st October 2022 in the case of assessee referred in clause (a) of Explanation 2 to sub-section (1) of section 139 of the Act, to 07th November, 2022.

*For details:*

<https://incometaxindia.gov.in/communications/circular/circular-20-2022.pdf>

### **Circular No. 21 (Dated October 27, 2022)**

On consideration of difficulties arising in timely filing of TDS statement in Form 26Q on account of revision of its format and consequent updation required for its filing, the Central Board of Direct Taxes extends the due date of filing of Form 26Q for the second quarter of financial year 2022-23 from 31st October, 2022 to 30th November, 2022.

*For details:*

<https://incometaxindia.gov.in/communications/circular/circular-21-2022.pdf>

### **Notification No.118 (Dated October 28, 2022)**

The Central Government hereby approves 'Krea University, Sricity, Chittoor, A.P. (PAN: AAF4K4100P)' under the category of 'University, College or other institution' for research in 'Social science or Statistical research' for the purposes of clause (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://incometaxindia.gov.in/communications/circular/circular-no-22-2022.pdf>

### **Circular No. 22-CBDT Condones delay in filing of Form No. 10A (November 01, 2022)**

The Central Board of Direct Taxes (CBDT) has issued notification regarding the Condonation of delay in filing of Form No.10A related to making an application for re-registration or provisional registration of Trust.

The following has been stated namely:

- The due date for filing Form No.10A is required to be filed on or before March 31, 2022.
- To avoid genuine hardship in such cases where the Form could not be filed by the given date, the Board, condones the delay up to November 25, 2022.

*For details:*

<https://incometaxindia.gov.in/communications/circular/circular-no-22-2022.pdf>

### **Direct Tax Collections for F.Y. 2022-23 up to 10.11.2022 (Press Release Dated November 11, 2022)**

The provisional figures of Direct Tax collections up to 10th November, 2022 continue to register steady growth. Direct Tax collections up to 10th November, 2022 show that gross collections are at Rs. 10.54 lakh crore which is 30.69% higher than the gross collections for the corresponding period of last year. Direct Tax collection, net of refunds, stands at Rs. 8.71 lakh crore which is 25.71 % higher than the net collections for the corresponding period of last year. This collection is 61.31% of the total Budget Estimates of Direct Taxes for F.Y. 2022-23.

*For details:*

<https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1119/Press-Release-DTC-forFY-2022-23-up-to10-11-2022-dated-12-11-2022.pdf>

### **Centre mulls increasing tax-free slab to Rs. 5 lakh (December 11, 2022)**

Policymakers are examining the possibility of increasing the tax-free slab to Rs. 5 lakh in the two-year-old alternative personal income tax regime to make it attractive, a government official said. Increasing the threshold will reduce the tax outgo for assesses, thereby leaving more money with them to invest, the official said.

*For details:*

[https://www.business-standard.com/article/pf/budget-2023-24-centre-mulls-increasingtax-freeslab-to-rs-5-lakh-122121100723\\_1.html](https://www.business-standard.com/article/pf/budget-2023-24-centre-mulls-increasingtax-freeslab-to-rs-5-lakh-122121100723_1.html)

### **CBDT exempts NR taxpayers from mandatory Form 10F e-filing for now (December 14, 2022)**

The Central Board of Direct Taxes (CBDT) has given partial relief to non-resident taxpayers by exempting them from mandatory electronic filing of Form 10F until March 2023. Filing this form is required to claim the benefits of tax treaty. The Form 10F is signed physically by nonresident taxpayers and furnished along with the tax residency certificate to resident payers for the purpose of determining withholding tax implications. The move has been made after considering the challenges faced by non-resident taxpayers, especially those who do not have a PAN. "...with a view to mitigate genuine hardship to such taxpayers, it has been decided by the competent authority that such category of non-resident taxpayers who are not having a PAN and not required to have a PAN as per relevant provisions of the Income-tax Act, 1961, read are exempted from mandatory electronic filing of form until March 31, 2023," CBDT said in a notification on Tuesday. The CBDT in July mandated electronic filing of the form but this created a hurdle for non-resident taxpayers as in certain cases, a non-resident payee is not required to obtain a PAN under the Act.

*For details:*

*[https://www.business-standard.com/article/economypolicy/cbd-t-exempts-from-mandatory-10f-form-requiresto-claim-tax-treaty-122121301228\\_1.html](https://www.business-standard.com/article/economypolicy/cbd-t-exempts-from-mandatory-10f-form-requiresto-claim-tax-treaty-122121301228_1.html)*

# Indirect Tax

## Info Capsule Series 14

### Goods and Services Tax

#### Sequential filing of GSTR-1 & filing of GSTR-1 before GSTR-3B on GST Portal (October 21, 2022)

The Central Government has amended Section 37 & Section 39 of Central Goods & Service Tax Act (CGST), 2017 vide Notification No. 18/2022-Central Tax dated 28th September, 2022 with effect from October 1, 2022. According to section 37(4) of CGST, Act, a taxpayers shall not be allowed to file GSTR-1 if previous GSTR-1 is not filed and as per sec 39(10) a taxpayer shall not be allowed to file GSTR-3B if GSTR-1 for the same tax period is not filed.

*For details:*

<https://www.gst.gov.in/newsandupdates/read/559>

#### Implementation of mandatory mentioning of HSN codes in GSTR-1 (October 22, 2022)

As per Notification No. 78/2020 - Central Tax dated October 15, 2020, it is mandatory for the taxpayers to report minimum 4 digit or 6 digit of HSN Code in table-12 of GSTR1 on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year. To facilitate the taxpayers, these changes are being implemented in a phasewise manner on GST Portal. From November 01, 2022, Phase-2 would be implemented on GST Portal and the taxpayers with up to Rs 5 crore turnover would be required to report 4-digit HSN codes in their GSTR-1.

*For details:*

<https://www.gst.gov.in/newsandupdates/read/560>

### **Advisory on Filing TRAN forms for Taxpayers from Daman and Diu & Ladakh on GST Portal (October 25, 2022)**

Due to reorganization of the state of Jammu & Kashmir and merger of the Union territories of Dadra and Nagar Haveli and Daman and Diu, the taxpayers of Ladakh and earlier 'Daman and Diu' region have been allotted new GSTINs. There is therefore a doubt as to how to file the TRAN-1 and whether it would be linked with the old TRAN-1 or not. The aggrieved taxpayers of both the abovementioned regions were informed that they can file or revise their TRAN-1 or TRAN-2 Forms only through their newly allotted GSTINs.

*For details:*

<https://www.gst.gov.in/newsandupdates/read/561>

### **Tax tribunal asks CBIC to issue rules for cases Under IBC (October 28, 2022)**

The Ahmedabad bench of the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) has asked the Central Board of Indirect Taxes and Customs (CBIC) to issue proper guidelines to its officials on cases where Insolvency and Bankruptcy Code (IBC) proceedings are in progress. The CESTAT said that in the absence of any guideline, departmental representatives are unaware as to what stand is to be taken in such cases that are at the bankruptcy court or the appellate body.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/tax-tribunalasks-cbic-to-issue-rules-for-cases-under-ibc/articleshow/95130653.cms>

### **₹1,51,718 crore gross GST revenue collected for October 2022 (November 01, 2022)**

The gross GST revenue collected in the month of October 2022 is ₹ 1,51,718 crore of which CGST is ₹ 26,039 crore, SGST is ₹ 33,396 crore, IGST is ₹ 81,778 crore (including ₹37,297 crore collected on import of goods) and Cess is ₹ 10,505 crore (including ₹ 825 crore collected on import of goods), which is second highest till date.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1872591>

**Clarification on refund related issues (Circular No. 181/13/2022 - GST dated November 10, 2022)**

Issue	Clarification
Whether the formula prescribed under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of unutilised input tax credit on account of inverted duty structure, as amended vide Notification No. 14/2022-Central Tax dated 05.07.2022, will apply only to the refund applications filed on or after 05.07.2022, or whether the same will also apply in respect of the refund applications filed before 05.07.2022 and pending with the proper officer as on 05.07.2022?	Vide Notification No. 14/2022-Central Tax dated 05.07.2022, amendment has been made in Rule 89(5) of CGST Rules, 2017, modifying the formula prescribed therein. The said amendment is not clarificatory in nature and is applicable prospectively with effect from 05.07.2022. Accordingly, it is clarified that the said amended formula under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of input tax credit on account of inverted duty structure would be applicable in respect of refund applications filed on or after 05.07.2022. The refund applications filed before 05.07.2022 will be dealt as per the formula as it existed before the amendment made vide Notification No. 14/2022-Central Tax dated 05.07.2022.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003131/ENG/Circulars>

**Guidelines for verifying the Transitional Credit in light of the order of the Hon'ble Supreme Court in the Union of India vs. Filco Trade Centre Pvt. Ltd., SLP(C) No. 32709- 32710/2018, order dated 22.07.2022 & 02.09.2022 (Circular No. 182/14/2022 - GST dated November 10, 2022)**

The verification of the transitional credit shall be conducted by the jurisdictional tax officer who will pass an appropriate order regarding the veracity of the claim filed by the applicant, based on all the facts and the provisions of the law. In respect of TRAN-1/TRAN-2 filed/revised by the applicant under the administrative control of the central tax authorities, such verification and issuance of order shall be done by the jurisdictional officer of central tax, whereas in respect of TRAN-1/TRAN-2 filed/revised by the applicant under the administrative control of the state tax authorities, the same shall be done by the jurisdictional officer of state tax. The jurisdictional tax officer shall start the verification process immediately on availability of TRAN-1/TRAN-2 filed/revised by the applicant on the back office system or on receipt of self-certified downloaded copy of the same from the applicant, whichever is earlier.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003132/ENG/Circulars>

**Adopt E-Filing in All Tax Cases Before HCs & Revenue Tribunals, Make GST Appellate Tribunal Paperless: Supreme Court to Centre (November 14, 2022)**

The Supreme Court on November 14, 2022 directed the Union Government to ensure that all filings by it in tax matters before the High Courts and Tribunals are in the e-filing mode. The Court further directed that the operations of the Goods and Services Appellate Tribunal, which is being set up, are completely paperless right from the beginning.

*For details:*

<https://www.livelaw.in/topstories/adopt-e-filing-in-alltax-cases-before-hcs-revenuetribunals-make-gst-appellatetribunal-paperless-supremecourt-to-centre-214032>

**Goods and Services Tax Central Goods and Services Tax (Third Amendment) Rules, 2022 (Notification No. 22/2022 - Central Tax dated November 15, 2022)**

The Central Board of Indirect Taxes and Customs has issued notification to amend the instructions of GSTR-9 to reflect the increased time period for claiming Input Tax Credit and amendment. The words "April to September 2022" have been substituted with "April 2022 to October 2022 filed upto November 30, 2022".

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1009548/ENG/Notifications>

**Decriminalise GST law, slash personal income tax rates in Budget: CII to Government (November 20, 2022)**

Industry body CII has pitched for a reduction in personal income tax rates, decriminalisation of the goods and services tax and a relook at the capital gains tax rates as part of its agenda presented to the government for the forthcoming Budget. Arguing that the GST law already contains adequate penal provisions for deterrence against evasion of taxes, CII has suggested decriminalisation of GST law.

*For details:*

<https://economictimes.indiatimes.com/news/economy/policy/decriminalise-gst-law-slash-personal-income-taxrates-in-budget-cii-to-govt/articleshow/95639793.cms>

**Government empowers the Competition Commission of India to handle anti-profiteering cases under CGST Act, 2017 with effect from 01.12.2022 (Notification No. 23/2022 - Central Tax dated November 23, 2022)**

The Central Government, on the recommendations of the Goods and Services Tax Council, has empowered the Competition Commission of India established under subsection (1) of section 7 of the Competition Act, 2002, to examine the input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

*For details:*

<https://taxinformation.cbic.gov.in/viewpdf/1009556/ENG/Notifications>

**Central Goods and Services Tax (Fourth Amendment) Rules, 2022 (Notification No. 24/2022 - Central Tax dated November 23, 2022)**

In the Central Goods and Services Tax Rules, 2017, rule 122, 124, 125, 134 and 137 shall be omitted. These rules are related to National Profiteering Authority.

*For details:*

[https://www.cbic.gov.in/resources/htdocsctbec/gst/24\\_2022\\_CT\\_Eng.pdf](https://www.cbic.gov.in/resources/htdocsctbec/gst/24_2022_CT_Eng.pdf)

**Goods and Services Tax**

**CBIC issues instructions providing manner of processing & sanctioning refunds of IGST paid by risky exporters (Instruction No. 04/2022 dated November 28, 2022)**

Rule 96 of the CGST Rules has been amended to provide that the refund of IGST paid on exports of goods may be withheld in case of risky exporters identified by Directorate General of Analytics and Risk Management (DGARM). In this regard, the CBIC has issued a detailed instruction providing the manner of processing and sanctioning refund in such cases.

*For details:*

<https://taxinformation.cbic.gov.in/viewpdf/1000453/ENG/Instructions>

**₹1,45,867 crore gross GST revenue collected for November 2022, records increase of 11% Year-on-Year (December 01, 2022)**

The gross GST revenue collected in the month of November 2022 is ₹1,45,867 crore of which CGST is ₹25,681 crore, SGST is ₹32,651 crore, IGST is ₹77,103 crore (including ₹38,635 crore collected on import of goods) and Cess is ₹10,433 crore (including ₹817 crore collected on import of goods). The government has settled ₹33,997 crore to CGST and ₹28,538 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States after regular settlements in the month of November 2022 is ₹59678 crore for CGST and ₹61189 crore for the SGST. In addition, Centre had also released ₹17,000 crore as GST compensation to States/UTs in November 2022.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=188024>

**GST Council to discuss decriminalisation in upcoming meeting on December 17 (December 06, 2022)**

The Goods and Services Tax (GST) Council may discuss the decriminalisation of the GST Law in its upcoming meeting on December 17, 2022. Under decriminalisation, the Government removes penal offences from the GST Act. The law committee has reportedly finalised changes in Section 132 of the Central Goods and Services Tax Act, 2017 and the changes will be discussed in the Council meeting.

*For details:*

[https://www.business-standard.com/article/economypolicy/gst-council-to-discuss-decriminalisation-inupcoming-meeting-on-december-17-122120600186\\_1.html](https://www.business-standard.com/article/economypolicy/gst-council-to-discuss-decriminalisation-inupcoming-meeting-on-december-17-122120600186_1.html)

### **GST Appellate Tribunal likely by mid-2023 (December 13, 2022)**

The much-awaited Goods and Services Tax Appellate Tribunal could be set up by the middle of 2023. The GST Council is expected to take up the report of the group of ministers on the appellate tribunal in its upcoming meeting on December 17. The tribunal will hear appeals against orders passed by the GST appellate authorities. Appeals for cases involving up to Rs. 50 lakh would be heard by a single member while those above this threshold would be heard by a division bench of at least one judicial and one technical member.

*For details:*

<https://www.financialexpress.com/economy/gst-appellate-tribunal-likely-by-mid2023/2910533/>

### **Customs**

#### **CBIC Notifies Postal Export (Electronic Declaration and Processing) Regulations, 2022 and implementation of PBE Automated System (Circular No. 25/2022 - Customs dated December 09, 2022)**

The Central Board of Indirect Taxes and Customs (CBIC) has notified the Postal Export (Electronic Declaration and Processing) Regulations, 2022 applicable to export of goods by any person, holding a valid Import-Export Code issued by the Director General of Foreign Trade, in furtherance of business through a foreign post office appointed by the Board under Section 7(1)(e) of the Customs Act, 1962. As per the regulations, the postal authorities shall set up, operate and maintain the PBE Automated System for filing of electronic declarations for export of goods through post. An exporter who wishes to export goods through post or his authorized agent shall register himself on the PBE Automated System. The PBE Automated System shall validate and recognize the registered person and enable him to file electronic declaration and upload supporting documents on the said system.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003134/ENG/Circulars>

#### **GSTN issues advisory regarding extension of due date for furnishing form GSTR-1 for certain districts of Tamil Nadu (December 14, 2022)**

The GST portal has issued an advisory as the Central Board of Indirect Taxes and Customs (CBIC) has extended the due date for furnishing FORM GSTR1- for November 2022 for registered persons whose principal place of business is in certain districts of Tamil Nadu. The Government vide Notification No.25/2022- Central Tax dated December 13, 2022 has extended the due date for furnishing of Form GSTR-1 for November, 2022 for registered persons whose principal place of business is in the districts of Chennai, Tiruvallur, Chengalpattu, Kancheepuram, Tiruvannamalai, Ranipet, Vellore, Villupuram, Cuddalore, Thiruvallur, Nagapattinam, Mayiladuthurai and Thanjavur in the State of Tamil Nadu. Thus, the due date for the said 10 districts of the State of Tamil Nadu is extended from 11th to 13th of December. Since, the Notification for extension has been issued after the expiry of normal period of filing, i.e., December 11, 2022, the credit of invoices covered in the returns pertaining to GSTINs of aforesaid districts, filed during 12th to 13th December, 2022 will not be populated in GSTR-2B generated for December, 2022. Thus, the taxpayers are advised to take the Input Tax Credit (ITC) in respect of suppliers of the aforesaid districts on the basis of GSTR-2A.

*For details:*

<https://www.gst.gov.in/newsandupdates/read/563>

**GST Council recommends to decriminalise certain offences u/s 132, increase in threshold of amount of tax for prosecution and reduction in amount of compounding in GST (December 17, 2022)**

The 48th GST Council met under the Chairmanship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman via virtual mode in New Delhi on December 17, 2022. The GST Council has inter-alia made the following recommendations relating to changes in GST tax rates, measures for facilitation of trade and measures for streamlining compliances in GST:

- No GST is payable where the residential dwelling is rented to a registered person if it is rented in his/her personal capacity for use as his/her own residence and on his own account and not on account of his business.
- Incentive paid to banks by Central Government under the scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.
- The Council has recommended to raise the minimum threshold of tax amount for launching prosecution under GST from Rs. One Crore to Rs. Two Crores, except for the offence of issuance of invoices without supply of goods or services or both; reduce the compounding amount from the present range of 50% to 150% of tax amount to the range of 25% to 100%; decriminalize certain offences specified under clause (g), (j) and (k) of section 132(1) of CGST Act, 2017, viz.- obstruction or preventing any officer in discharge of his duties; deliberate tempering of material evidence; failure to supply the information.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=184399>

**Customs**

**Centre develops new metrics for imports after reports of under-reporting (December 20, 2022)**

The Centre has developed new valuation metrics for imports after large-scale underinvoicing of steel imports from China to evade customs duty and GST were unearthed, a report in Mint said. In April-July, the Directorate General of Valuations under the Central Board of Indirect Taxes & Customs (CBIC) found out that stainless steel flat products of J3 grade were imported at an average value of Rs. 87 per kg as against the similar products of 201 grade imported at an average value of Rs. 163 per kg, the report added.

*For details:*

[https://www.business-standard.com/article/economy-policy/centre-develops-newmetrics-for-imports-after-reports-of-under-reporting-122122000466\\_1.html](https://www.business-standard.com/article/economy-policy/centre-develops-newmetrics-for-imports-after-reports-of-under-reporting-122122000466_1.html)

**Clarification to deal with difference in ITC availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for FY 2017-18 and 2018-19 (Circular No. 183/15/2022-GST dated December 27, 2022)**

During the initial period of implementation of GST, during the financial years 2017-18 and 2018-19, in many cases, the suppliers have failed to furnish the correct details of outward supplies in their FORM GSTR-1, which has led to certain deficiencies or discrepancies in FORM GSTR-2A of their recipients. In case, where difference between the ITC claimed in FORM GSTR-3B and that available in FORM GSTR 2A of the registered person in respect of a supplier for the said financial year exceeds Rs. 5 lakh, the proper officer shall ask the registered person to produce a certificate for the concerned supplier.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003135/ENG/Circulars>

**Clarification on the entitlement of input tax credit where the place of supply is determined in terms of the proviso to sub-section (8) of section 12 of the IGST Act, 2017 (Circular No. 184/16/2022-GST dated December 27, 2022)**

As per provision of sub-section (8) of section 12 of Integrated Goods and Services Tax Act, 2017 which provides for the place of supply of services by way of transportation of goods, including by mail or courier to,—

- ♣ a registered person, shall be the location of such person;
- ♣ a person other than a registered person, shall be the location at which such goods are handed over for their transportation: Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003136/ENG/Circulars>

**Clarification with regard to applicability of provisions of section 75(2) of Central Goods and Services Tax Act, 2017 and its effect on limitation (Circular No. 185/17/2022-GST dated December 27, 2022)**

The sub-section (2) of section 75 of Central Goods and Services Tax Act, 2017 which provides that in cases where the appellate authority or appellate tribunal or court concludes that the notice issued by proper officer under sub-section (1) of section 74 is not sustainable for reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax have not been established against the person to whom such notice was issued. Sub-section (3) of section 75 of CGST Act provides that an order, required to be issued in pursuance of the directions of the appellate authority or appellate tribunal or the court, has to be issued within two years from the date of communication of the said direction.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003137/ENG/Circulars>

**Clarification on various issue pertaining to GST (Circular No. 186/18/2022-GST dated December 27, 2022)**

As per practice prevailing in the insurance sector, the insurance companies deduct No Claim Bonus from the gross insurance premium amount, when no claim is made by the insured person during the previous insurance period(s). The customer/ insured procures insurance policy to indemnify himself from any loss/ injury as per the terms of the policy, and is not under any contractual obligation not to claim insurance claim during any period covered under the policy, in lieu of No Claim Bonus.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003138/ENG/Circulars>

**Clarification regarding the treatment of statutory dues under GST law in respect of the taxpayers for whom the proceedings have been finalised under Insolvency and Bankruptcy Code, 2016 (Circular No. 187/19/2022-GST dated December 27, 2022)**

As per Section 84 of CGST Act, if the Government dues against any person under CGST Act are reduced as a result of any appeal, revision or other proceedings in respect of such government dues, then an intimation for such reduction of government dues has to be given by the Commissioner to such person and to the appropriate authority with whom the recovery proceedings are pending. Further, recovery proceedings can be continued in relation to such reduced amount of government dues.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003139/ENG/Circulars>

**Prescribing manner of filing an application for refund by unregistered persons (Circular No. 188/20/2022-GST dated December 27, 2022)**

The unregistered person, who wants to file an application for refund under sub-section (1) of section 54 of CGST Act, in cases where the contract/agreement for supply of services of construction of flat/ building has been cancelled or where long-term insurance policy has been terminated, shall obtain a temporary registration on the common portal using his Permanent Account Number (PAN). While doing so, the unregistered person shall select the same state/UT where his/her supplier, in respect of whose invoice refund is to be claimed, is registered. Thereafter, the unregistered person would be required to undergo Aadhaar authentication in terms of provisions of rule 10B of the CGST Rules. Further, the unregistered person would be required to enter his bank account details in which he seeks to obtain the refund of the amount claimed. The applicant shall provide the details of the bank account which is in his name and has been obtained on his PAN.

*For details:*

<https://taxinformation.cbic.gov.in/view-pdf/1003140/ENG/Circulars>

# Banking and Insurance

## Info Capsule Series 14

### **India Post Payments Bank, RBIH join hands for financial product, services (October 19, 2022)**

India Post Payments Bank (IPPB) and Reserve Bank Innovation Hub (RBIH) joined hands to focus their efforts on enhancing the reach of financial solutions to large sections of society across India and enabling frictionless finance to a billion Indians, an official statement said on October 19, 2022. Under the arrangement IPPB and RBIH will plan, design and execute innovative products and offerings to bridge the existing gap by bringing digitalised services at the customer's doorstep.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/india-post-payments-bank-rbih-joinhands-for-financial-productservices/articleshow/94972190.cms>

### **Operationalisation of Central Bank Digital Currency-Wholesale (₹-W) Pilot (October 31, 2022)**

The Reserve Bank of India (RBI) vide Press Release dated October 7, 2022 had announced that the Reserve Bank will soon commence pilot launches of Digital Rupee (₹) for specific use cases. Accordingly, the first pilot in the Digital Rupee - Wholesale segment (₹-W) shall commence on November 1, 2022. Nine banks, viz., State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank and HSBC have been identified for participation in the pilot. The first pilot in Digital Rupee - Retail segment (₹-R) is planned for launch within a month in select locations in closed user groups comprising customers and merchants. The details regarding operationalisation of ₹-R pilot shall be communicated in due course.

*For details:*

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54616](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54616)

### **Onset of festive season pushes credit growth across sectors in September (October 31, 2022)**

Reflecting the surge in demand during the festive season and economic upturn, credit off-take across all sectors – farming, industry, services and retail – remained robust in September 2022 compared to the same period a year ago. Reserve Bank of India (RBI) data showed that credit to industry – small, medium and large – registered 12.6 per cent growth against a mere 1.7 per cent growth in September 2021. The credit growth was low in FY22 due to the impact of the second wave of the Covid-19 pandemic.

*For details:*

[https://www.business-standard.com/article/finance/onset-of-festive-season-pushescredit-growth-in-september-2022-122103101216\\_1.html](https://www.business-standard.com/article/finance/onset-of-festive-season-pushescredit-growth-in-september-2022-122103101216_1.html)

### **Eligibility Criteria for offering Internet Banking Facility by Regional Rural Banks, 2022 (November 01, 2022)**

Keeping in view the need to promote the spread of digital banking for customers in rural areas, the eligibility criteria applicable to Regional Rural Banks (RRBs) for offering Internet Banking with transactional facility to their customers have been revised. For extending internet banking services with transactional facility, RRBs fulfilling the specified criteria and other conditions prescribed. The circular comes into force from November 01, 2022.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12407&Mode=0#AN>

### **UPI transactions rise 7.7 per cent to 730 crore in October (November 01, 2022)**

Transactions through Unified Payments Interface (UPI) rose 7.7 per cent to 730 crore and the total value stood at more than Rs. 12.11 lakh crore in October. In September, there were 678 crore UPI-led digital transactions worth Rs. 11.16 lakh crore. The number of instant interbank fund transfer through IMPS (Immediate Payment Service) in October stood at 48.25 crore and the value was at Rs. 4.66 lakh crore.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/upi-transactions-rise-7-7-per-cent-to-730-crore-in-october/2763165/>

### **Day One of CBDC pilot clocks G-Sec trades of ₹275 crore (November 01, 2022)**

Government securities worth ₹275 crore were traded using the Reserve Bank of India's (RBI) Central Bank Digital Currency (CBDC) on November 01, 2022, on the first day of a pilot project in the wholesale segment. A total of 48 trades were settled using CBDC, data published by the Clearing Corporation of India (CCIL) showed.

*For details:*

<https://www.livemint.com/industry/banking/day-one-of-cbdc-pilot-clocks-g-sectrades-of-275-cr-11667328028183.html>

### **Nation-wide Awareness Programme: November 2022 (November 02, 2022)**

The Reserve Bank has been taking several initiatives to improve customer awareness on extant regulations to protect consumer interests, alternative grievance redress mechanisms, safe banking practices, etc., through various media and print campaigns. Earlier this year, as part of the “Azadi Ka Amrit Mahotsav”, the Reserve Bank launched a pan-India awareness programme through Ombudsman Speak and Ombudsman Talkathon events. As a part of these initiatives, during November 2022, the Reserve Bank, in collaboration with its regulated entities, will run a nation-wide consumer financial awareness programme with deeper outreach covering all segments of population, especially those in rural and semi-urban areas.

*For details:*

[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54633](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54633)

### **Liquidity turns surplus as demand for cash drops post festive season (November 07, 2022)**

The liquidity in the banking system has turned to a surplus in November as the demand for cash seen during the festive season tapers and also on likely increase in government spending. During the first three days of the month, the Reserve Bank of India (RBI) absorbed a daily average of Rs. 71,090 crore from the banking system. This compares with a daily average injection of Rs. 58,213.98 crore between October 20 and October 31, 2022, when the liquidity situation tightened on account of higher demand for cash during the festival season, GST and other tax related outflows and the Reserve Bank's intervention in the foreign exchange market to contain volatility in the rupee.

*For details:*

<https://indianexpress.com/article/business/banking-and-finance/liquidity-turns-surplus-as-demand-for-cash-drops-post-festive-season-8253524/>

### **Municipal corps should explore land-based models to raise funds: RBI (November 11, 2022)**

The Municipal Corporations (MC) in the country need to explore different innovative bond and land based financing mechanisms to augment their resources, said a Reserve Bank of India's study. In a first ever comprehensive analysis of Municipal finances, it said MCs need to adopt sound and transparent accounting practices with proper monitoring and documentation of various receipt and expenditure items. The study on the theme -- 'Alternative Sources of Financing for Municipal Corporations' covered 201 municipal corporations (MCs) across all States.

*For details:*

[https://www.business-standard.com/article/finance/municipal-corps-should-explore-land-based-models-to-raise-funds-rbi-122111001470\\_1.html](https://www.business-standard.com/article/finance/municipal-corps-should-explore-land-based-models-to-raise-funds-rbi-122111001470_1.html)

### **On evaluation mode. RBI to meet bank chiefs to take stock of sustainability of double-digit credit growth (November 13, 2022)**

The Reserve Bank of India Governor Shaktikanta Das has called for a meeting with the Chiefs of Public Sector Banks and select private sector banks on November 16 to take stock of the sustainability of the robust credit growth, and gauge if there are any risks lurking in banks' loan portfolio in the backdrop of rising interest rates. The RBI will also seek details on slow growth in deposits and asset quality of retail and MSME loans.

*For details:*

<https://www.thehindubusinessline.com/money-and-banking/rbi-to-meet-bank-chiefs-to-take-stock-of-sustainability-of-double-digit-credit-growth/article66131998.ece>

**Shri Vivek Joshi, Secretary, Department of Financial Services, nominated on RBI Central Board (November 15, 2022)**

The Central Government has nominated Shri Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance, Government of India as a Director on the Central Board of Reserve Bank of India (RBI) vice Shri Sanjay Malhotra. The nomination of Shri Vivek Joshi is effective from November 15, 2022 and until further orders.

*For details:*

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54707](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54707)

**Nine Russian banks open special vostro accounts for trade in rupee (November 15, 2022)**

As many as nine special vostro accounts have been opened with two Indian banks after permission from the Reserve Bank of India to facilitate overseas trade in rupee, a top government official said on November 15, 2022. Sberbank and VTB Bank -- the largest and second-largest banks of Russia, respectively -- are the first foreign lenders to receive the approval after the RBI announced the guidelines on overseas trade in the rupee in July.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/ninerussian-banks-open-special-vostro-accounts-for-trade-inrupee/articleshow/95537961.cms>

**Bank borrowings up 2x amid rush to fund credit growth, shows RBI data (November 15, 2022)**

Amid a decade-high credit growth, the short-term market borrowings of banks have surged 100 per cent, so far, in the current financial year as lenders seek avenues to fund the accelerated pace of loan demand. According to the latest data released by the RBI, borrowings by banks increased to Rs. 5.49 trillion as on October 21, 2022, from Rs. 2.74 trillion as on March 25, 2022.

*For details:*

[https://www.business-standard.com/article/finance/bank-borrowings-double-amidrush-to-fund-credit-growth-rbi-data-122111501957\\_1.html](https://www.business-standard.com/article/finance/bank-borrowings-double-amidrush-to-fund-credit-growth-rbi-data-122111501957_1.html)

**Credit cards preferred payment option this festive season: report (November 17, 2022)**

Festive sales this year outnumbered last year's festive sales, showed PayU's in its Insights Report - Festive edition. As for the preferred mode of payment, credit card shines as the number one payment option. Average spend per credit card user stood at ₹6,000 as opposed to a debit card user spending ₹2,500 and year-on-year credit card transactions and expenditures grew 42% and 84%, respectively.

*For details:*

<https://www.livemint.com/companies/news/creditcards-preferred-payment-option-this-festive-seasonreport-11668696055844.html>

### **Outward remittances under liberalised remittance scheme jump 50% in H1 (November 20, 2022)**

Outward remittances under the Liberalised Remittance Scheme (LRS) of the Reserve Bank of India (RBI) surged almost 50 per cent in the April-September period of the current financial year as compared to the same period of the previous year. According to the latest data released by the Reserve Bank of India, resident Indians remitted \$13.4 billion during the period as compared to \$8.9 billion in the previous financial year. During the second quarter of FY23, remittances stood at \$7.3 billion, compared to \$5.2 billion a year ago.

*For details:*

[https://www.business-standard.com/article/finance/outward-remittances-underliberalised-remittance-scheme-jump-50-in-h1-122112000522\\_1.html](https://www.business-standard.com/article/finance/outward-remittances-underliberalised-remittance-scheme-jump-50-in-h1-122112000522_1.html)

### **HDFC Bank, Canara Bank get RBI nod for rupee trade with Russia: Report (November 21, 2022)**

The Reserve Bank of India (RBI) has allowed leading private sector lender HDFC Bank Ltd. and state-run Canara Bank Ltd to open a special "vostro account" for trade in rupees with Russia, news agency Reuters quoted a report as saying on November 21, 2022. As many as five Indian banks have received regulatory clearance for rupee trade till now. These includes UCO Bank, Union Bank and IndusInd Bank are the other three.

*For details:*

<https://www.livemint.com/industry/banking/hdfcbank-canara-bank-get-rbi-nod-for-rupee-trade-withrussia-report-11669035213542.html>

### **Regulating NBFCs like banks to impair lending model: FIDC to FM Sitharaman (November 22, 2022)**

Regulating finance companies akin to banks can disrupt the traditional lending model of such entities, the Finance Industry Development Council (FIDC) told Finance Minister Nirmala Sitharaman in its pre-Budget memorandum. If NBFCs are to be regulated like banks, the typical Non-Banking Finance Company (NBFC) model of lending will suffer, which will have an impact lending to the unbanked/underbanked segment of the society, the FIDC said. "Flexibility" is the key that is required primarily from the borrower's perspective, the memorandum said. After some large systemically important NBFCs went belly up in the past few years, the Reserve Bank of India looked to reduce the regulatory arbitrage between banks and NBFCs by tightening norms and regularly monitoring finance companies.

*For details:*

[https://www.business-standard.com/article/finance/regulating-nbfcs-like-banks-to-impairnbfc-lending-model-fidc-to-fm-122112201018\\_1.html](https://www.business-standard.com/article/finance/regulating-nbfcs-like-banks-to-impairnbfc-lending-model-fidc-to-fm-122112201018_1.html)

### **Inclusion of Goods and Service Tax Network (GSTN) as a Financial Information Provider under Account Aggregator Framework (November 23, 2022)**

With a view to facilitate cash flow-based lending to MSMEs, it has been decided to include Goods and Services Tax Network (GSTN) as a Financial Information Provider (FIP) under the Account Aggregator (AA) framework. Department of Revenue shall be the regulator of GSTN for this specific purpose and Goods and Services Tax (GST) Returns, viz. Form GSTR-1 and Form GSTR-3B, shall be the Financial Information. Accordingly, the select instructions contained in the Master Direction Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 referred to above have been amended.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12412&Mode=0>

### **Basel III Framework on Liquidity Standards - Standing Deposit Facility (November 23, 2022)**

The Reserve Bank of India has received queries from banks seeking clarification on the treatment of SDF under Liquidity Risk Management Framework. Accordingly, it is advised that the overnight balances held by banks with RBI under Standing Deposit Facility (SDF) shall be eligible as 'Level 1 High Quality Liquid Assets (HQLA)' for computation of LCR.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12413&Mode=0>

### **Will new credit card rule help you? RBI fixes minimum amount due formula for all cards (November 24, 2022)**

The Reserve Bank of India (RBI) recently asked banks and card issuers to calculate the minimum amount due on credit card bills in a way that does not result in negative amortisation. "The unpaid charges or levies or taxes shall not be capitalised for charging or compounding of interest," the central bank earlier said in a master direction - Credit card and Debit card - Issuance and Conduct Directions, 2022. RBI had asked the banks and card issuers to implement this rule starting from October 01, 2022.

*For details:*

<https://economictimes.indiatimes.com/wealth/spend/will-new-credit-card-rule-help-you-rbi-fixes-minimumamount-due-formula-for-allcards/articleshow/95733598.cms>

### **Perationalisation of Central Bank Digital Currency - Retail (e₹-R) Pilot (November 29, 2022)**

The Reserve Bank announces the launch of the first pilot for retail digital Rupee (e₹-R) on December 01, 2022. The e₹-R would be in the form of a digital token that represents legal tender. It would be issued in the same denominations that paper currency and coins are currently issued. The e₹-R would offer features of physical cash like trust, safety and settlement finality. Eight banks have been identified for phase-wise participation in this pilot. The first phase will begin with four banks, viz., State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank in four cities across the country. Four more banks, viz., Bank of Baroda, Union Bank of India, HDFC Bank and Kotak Mahindra Bank will join this pilot subsequently. The pilot would initially cover four cities, viz., Mumbai, New Delhi, Bengaluru and Bhubaneswar and later extend to Ahmedabad, Gangtok, Guwahati, Hyderabad, Indore, Kochi, Lucknow, Patna and Shimla.

*For details:*

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54773](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54773)

### **Share of industry in bank credit contracts to 25% (December 01, 2022)**

The share of loans to the industry sector in bank credit has shrunk to 25% as borrowings by manufacturing companies grew at much slower pace compared to bank credit. Industry, which had a share of 27% in bank credit- roughly equal to services and personal loans- is now the smallest among the three.

*For details:*

<https://timesofindia.indiatimes.com/business/indiabusiness/share-of-industry-in-bank-credit-contracts-to25/articleshow/95894476.cms>

### **e-Rupee: RBI creates Rs 1.71 crore of digital currency for retail pilot (December 01, 2022)**

The pilot project for Central Bank Digital Currency (CBDC) in the retail segment went live on December 01, 2022 with the Reserve Bank of India (RBI) issuing Rs. 1.71 crore to four participating banks based on their indents. The central bank has identified four banks for the first phase of the pilot — State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank — in four cities, Mumbai, New Delhi, Bengaluru and Bhubaneswar.

*For details:*

[https://www.business-standard.com/article/finance/erupee-rbi-creates-rs-1-71-crore-of-digital-currency-forretail-pilot-122120101215\\_1.html](https://www.business-standard.com/article/finance/erupee-rbi-creates-rs-1-71-crore-of-digital-currency-forretail-pilot-122120101215_1.html)

### **You will soon have access to paperless home loans (December 05, 2022)**

A recent notification by the Ministry of Electronics & Informations Technology (MeitY) has made it possible to digitize several new types of contracts like mortgages and other property documents that will give a major push to the digitization of home loans.

*For details:*

<https://timesofindia.indiatimes.com/business/indiabusiness/you-will-soon-have-access-to-paperless-homeloans/articleshow/95988852.cms>

### **Monetary Policy Statement, 2022-23 Resolution of the Monetary Policy Committee (MPC) December 5- 7, 2022 (December 07, 2022)**

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting on December 07, 2022 decided to increase the policy repo rate under the Liquidity Adjustment Facility (LAF) by 35 basis points to 6.25 per cent with immediate effect and consequently, the Standing Deposit Facility (SDF) rate stands adjusted to 6.00 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate to 6.50 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. These decisions are in consonance with the objective of achieving the medium-term target for Consumer Price Index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

*For details:*

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54818](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54818)

### **Review of SLR holdings in HTM category (December 08, 2022)**

At present, banks have been granted a special dispensation of enhanced Held to Maturity (HTM) limit of 23 per cent of Net Demand and Time Liabilities (NDTL), for Statutory Liquidity Ratio (SLR) eligible securities acquired between September 01, 2020 and March 31, 2023, until March 31, 2023. On a review, it has been decided to further extend the dispensation of enhanced HTM limit of 23 per cent of NDTL upto March 31, 2024 and allow banks to include securities acquired between September 01, 2020 and March 31, 2024 under the enhanced limit of 23 per cent.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12422&Mode=0>

### **RBI shortlists 7 global consultancy firms to use AI, ML to improve regulatory supervision (December 12, 2022)**

The Reserve Bank of India has shortlisted seven global consultancy firms, including Pricewaterhouse Coopers, McKinsey and Boston Consulting Group (India), to use Artificial Intelligence (AI) and Machine Learning (ML) for supervisory functions. The RBI is looking to extensively use advanced analytics, artificial intelligence and machine learning to analyse its huge database and improve regulatory supervision over banks and NBFCs. For this purpose, the central bank plans to hire external experts.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbishortlists-7-global-consultancy-firms-to-use-ai-ml-to-improve-regulatorysupervision/articleshow/96159388.cms>

### **RBI allows lenders to sell loans before 'default' tag (December 12, 2022)**

The RBI has allowed banks and finance companies to sell stressed loans, which are in default in their books, to Assets Reconstruction Companies (ARCs). The Central Bank amend norms for sale last week. Earlier, lenders had to wait until the loans were in default for more than 60 days or classified as Non-Performing Assets (NPAs) for them to be transferred to ARCs. This relaxation will help banks keep their balance sheet clean by selling loans at the first sign of trouble, even before they classify them as default.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/rbi-allows-lenders-to-sell-loans-before-default-tag/articleshow/96156495.cms>

### **RBI imposes penalty on 13 cooperative banks (December 12, 2022)**

The Reserve Bank of India (RBI) on December 12, 2022 announced penalties on 13 cooperative banks for contravention of various regulatory norms. The penalties range between Rs. 50,000 and Rs. 4 lakh. In each case, the RBI said penalties are based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the banks with their customers.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-imposes-penalty-on-13-cooperative-banks/articleshow/96179366.cms>

### **Banks wrote off NPAs over 10 trillion in last five financial years: FM (December 13, 2022)**

Banks have written off bad loans worth Rs 10,09,511 crore during the last five financial years, finance minister Nirmala Sitharaman informed Parliament on Tuesday. The non-performing assets (NPAs), including those in respect of which full provisioning has been made on completion of four years, are removed from the balance sheet of the bank concerned by way of write-off, she said in a reply to Rajya Sabha.

*For details:*

[https://www.business-standard.com/article/finance/banks-wrote-off-npas-over-10-trillion-in-last-five-financial-years-fm-122121300636\\_1.html](https://www.business-standard.com/article/finance/banks-wrote-off-npas-over-10-trillion-in-last-five-financial-years-fm-122121300636_1.html)

### **RBI Releases Fifth Volume of Reserve Bank History (1997-2008) (December 19, 2022)**

The fifth volume of the Reserve Bank of India's history is released today. This volume encompasses the 11-year period from 1997 to 2008. With this volume, the history of the Reserve Bank of India is now updated up to 2008. The volume, published by the Cambridge University Press, contains the institutional history of the Reserve Bank documented on the basis of official records, publications and oral discussions with persons who were closely associated with the working of the Reserve Bank during the period.

*For details:*

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54907](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54907)

### **Decision on privatisation of PSBs after consultation: Government (December 20, 2022)**

The Government on December 19, 2022 said it will take a view on privatisation of Public Sector Banks (PSBs) after consultation with the department and the regulator concerned. Consideration of issues related to disinvestment and decision on selection, terms and conditions, etc. in case of strategic sale is entrusted to the Cabinet committee designated for this purpose under the Government of India (Transaction of Business) Rules, 1961, minister of state for finance Bhagwat Karad said in a written reply in Lok Sabha.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/decision-onprivatisation-of-psbs-after-consultation-govt/articleshow/96352514.cms>

### **RBI Bulletin - December 2022 (December 20, 2022)**

The Reserve Bank of India released the December 2022 issue of its monthly Bulletin. The Bulletin includes four speeches, eight articles and current statistics. The eight articles are: I. State of the Economy; II. Anatomy of Inflation's Ascent in India; III. Assessing Inflation Expectations Adjusting for Households' Biases; IV. Government Finances 2022-23: A Half-Yearly Review; V. Measuring India's Digital Economy; VI. A Composite Coincident Index for Unorganised Sector Activity in India; VII. Agriculture in 2022-23: Kharif Performance and Rabi Outlook; and VIII. Financial Inclusion through Microfinance - An Assessment of the North-eastern Region of India.

*For details:*

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54914](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54914)

### **NBFC loan sanctions fall on sluggish commercial credit demand (December 21, 2022)**

The amount of loans sanctioned by domestic non-bank lenders in the three months ended 30 September fell from a year earlier, primarily due to a drop in demand for commercial loans, data showed. Aggregate sanctioned loans fell 3% to ₹3.7 trillion in the September quarter from a year earlier, according to data released by industry body Finance Industry Development Corp. (FIDC), jointly with credit information company Crif High Mark.

*For details:*

<https://www.livemint.com/industry/banking/nbfc-loan-sanctions-fall-on-sluggishcommercial-credit-demand-11671561136966.html>

### **RBI now looking at business models of banks: Governor Shaktikanta Das (December 21, 2022)**

Supervision of banks by RBI has deepened and intensified over the last 3-4 years, with the central bank now also looking at the business models of banks on an ongoing basis, Governor Shaktikanta Das said. Reserve Bank of India (RBI) flags its concerns to the board or risk management committee of the banks and leaves the matter to them, without interfering in the bank's operations, he said, when asked on reports of increasing micromanagement in supervision by RBI.

*For details:*

<https://www.thehindubusinessline.com/money-and-banking/rbi-nowlooking-at-business-models-of-banks-governor-shaktikanta-das/article66289808.ece>

### **Consolidation of PSBs gives a robust base to scale: Bankers at BFSI Summit (December 22, 2022)**

Exuding confidence in sustaining the tempo of credit growth, public sector bankers said on December 21, 2022 that consolidation in the Public Sector Bank (PSB) space has given them a robust base to scale. The privatisation of PSBs can be done through divestment of Government stake to a wider base of investors without haste. There is nothing to worry about at this point (high credit offtake) as underwriting standards and risk management are much better.

*For details:*

[https://www.business-standard.com/article/finance/privatisation-of-psbsvia-divestment-of-wider-base-of-investors-bankers-122122101136\\_1.html](https://www.business-standard.com/article/finance/privatisation-of-psbsvia-divestment-of-wider-base-of-investors-bankers-122122101136_1.html)

### **P N Vasudevan to continue as Equitas Small Finance Bank MD, CEO (December 24, 2022)**

After announcing earlier this year that he would step down from his post, P.N. Vasudevan, founder of Equitas said on December 23, 2022 that he decided to continue as Managing Director and Chief Executive Officer of Equitas Small Finance Bank. “Equitas Small Finance Bank is happy to announce that Mr. PN Vasudevan in response to the suggestions of the Board has decided to stay on as MD and CEO of the Bank,” the lender informed exchanges.

*For details:*

[https://www.business-standard.com/article/finance/p-n-vasudevan-to-continue-asequitas-small-finance-bank-md-ceo-122122301010\\_1.html](https://www.business-standard.com/article/finance/p-n-vasudevan-to-continue-asequitas-small-finance-bank-md-ceo-122122301010_1.html)

### **Loan Fraud Case: CBI arrests Videocon CEO Venugopal Dhoot (December 26, 2022)**

The Central Bureau of Investigation on December 26, 2022 arrested Videocon CEO Venugopal Dhoot in the alleged ICICI Bank-Videocon money laundering case. The CEO was arrested from Mumbai. Earlier, the agency had arrested the former Managing Director and Chief Executive Officer of ICICI Bank Chanda Kochhar and her husband Deepak Kochhar in connection with the case.

*For details:*

<https://economictimes.indiatimes.com/news/india/loan-fraud-case-cbi-arrestsvideocon-ceo-venugopal-dhoot/articleshow/96510207.cms>

### **Central Payments Fraud Information Registry - Migration of Reporting to DAKSH (December 26, 2022)**

The Reserve Bank of India (RBI) had operationalised the Central Payments Fraud Information Registry (CPFIR) in March 2020 with reporting of payment frauds by scheduled commercial banks and non-bank Prepaid Payment Instrument (PPI) issuers. To streamline reporting, enhance efficiency and automate the payments fraud management process, the fraud reporting module is being migrated to DAKSH - Reserve Bank's Advanced Supervisory Monitoring System. The migration will be effective from January 01, 2023, i.e., entities shall commence reporting of payment frauds in DAKSH from this date.

*For details:*

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12431&Mode=0>

### **Banks need robust credit appraisal policies to limit risk: RBI (December 28, 2022)**

Indian banks need to ensure they have robust due diligence and credit appraisal mechanisms in place to limit credit risk, given that uncertainties in the current macroeconomic conditions could be challenging, a Reserve Bank of India report said. In FY22, the Consolidated Balance Sheet of Scheduled Commercial Banks registered double-digit growth after a gap of seven years.

*For details:*

<https://www.livemint.com/industry/banking/banks-need-robust-credit-appraisal-policies-to-limit-risk-rbi-11672163061872.html>

### **Realisation through IBC 201% of liquidation value as of Sept: RBI (December 28, 2022)**

In cases where Corporate Insolvency Resolution Processes (CIRPs) were initiated under the Insolvency and Bankruptcy Code by Financial Creditors (FCs), realisations until September 2022 were close to 201% of the liquidation value, according to data released in the Reserve Bank of India's (RBI's) Trend and Progress Report for 2021-22. The report also noted that SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest) and Debt Recovery Tribunals have yielded recovery rates comparable to the IBC mechanism.

*For details:*

[https://www.business-standard.com/article/companies/realisation-through-ibc-close-to-201-of-liquidation-value-as-of-sept-rbi-122122700833\\_1.html](https://www.business-standard.com/article/companies/realisation-through-ibc-close-to-201-of-liquidation-value-as-of-sept-rbi-122122700833_1.html)

### **RBI clears reappointment of Baskar Babu as Suryoday Small Finance Bank CEO (December 27, 2022)**

Suryoday Small Finance Bank on December 27, 2022 said Reserve Bank of India has approved the reappointment of Baskar Babu Ramachandran as the Managing Director & Chief Executive Officer of the lender for three years.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-clearsreappointment-of-baskar-babu-as-suryoday-small-finance-bankceo/articleshow/96548629.cms>

### **NBFCs turn to newer asset classes in quest for returns (December 28, 2022)**

Non-Banking Financial Companies (NBFCs) have started realigning portfolio strategies for better risk-adjusted returns, with focus on unsecured loans and Micro, Small and Medium Enterprise (MSME) finance, anticipating a surge in their cost of funds amid rising interest rates and reduced competitiveness in traditional segments such as home and new vehicle loans due to intensifying competition from banks. Used vehicle loans, though, would continue to be a key business segment for NBFCs given the higher yields in this space and because it is not a focus area for banks.

*For details:*

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfcs-turnto-newer-asset-classes-in-quest-for-returns/articleshow/96565725.cms>

### **RBI stress tests show bad loans may ease next year (December 29, 2022)**

Banking sector bad loans could slightly decline to 4.9% of total advances by September 2023 under the baseline stress scenario, down 10 basis points (bps) from September this year, the Reserve Bank of India (RBI) said on December 29, 2022. This, RBI said, is based on the assumption of no further regulatory reliefs as well as not accounting for the potential impact of stressed asset purchases by India's bad bank National Asset Reconstruction Company Limited (NARCL).

*For details:*

<https://www.livemint.com/industry/banking/rbi-stress-tests-show-bad-loans-may-easenext-year-11672321539890.html>

# Competition Law

## Info Capsule Series 14

**CCI imposes monetary and non-monetary sanctions on MakeMyTrip, Golbibo and OYO for indulging in anti-competitive conduct (October 19, 2022)**

The Competition Commission of India (CCI) has imposed monetary as well as behavioral sanctions on MMT-Go (MakeMyTrip and Golbibo) for abusing its dominant position and also for having anti-competitive arrangement with OYO (Oravel Stays Limited). Monetary penalty is also imposed on OYO for its anti-competitive arrangement with MMT-Go vide which MMT-Go delisted the competitors of OYO from its online portals in 2018. The CCI carried out an in-depth analysis for delineation of relevant market, laying special emphasis on such assessment in case of platform markets. Commenting on the role of interdependencies in two-sided or multi-sided markets, the CCI opined that it is important to understand the nature of the interaction and interdependencies between the different sides of a multi-sided platform so as to ascertain the impact of such interaction or interlinkages in the analysis. However, the role of such interdependencies at the time of delineating relevant market should be limited to understanding the impact of such interactions on the substitutability analyzed primarily from the aggrieved user side. When apparently there are two distinct products/services which are being supplied (by the same seller i.e., the OTA) to two distinct set of buyers (end-consumers and hotel partners), ascertaining substitutability only from the perspective of one user group (i.e. the endconsumer in the present case) may erroneously conflate the competitive constraints that exist separately and distinctly in relation to each user side.

*For details:*

<https://pib.gov.in/PressReleasePage.aspx?PRID=1869330>

**CCI imposes a monetary penalty of Rs. 936.44 crore on Google for anti-competitive practices in relation to its Play Store policies (October 26, 2022)**

The Competition Commission of India (CCI) today imposed a penalty of Rs. 936.44 crore on Google for abusing its dominant position with respect to its Play Store policies, apart from issuing a cease-and-desist order. The Commission also directed Google to modify its conduct within a defined timeline. For app developers, app stores have become a necessary medium for distribution of their apps to the end users and the availability of app store(s) is directly dependent on OS installed on a smart device. An appreciation of the market dynamics in licensable mobile operating system in India makes it evident that Google's Android OS has successfully reaped the indirect network effects. Google's Play Store constitutes the main distribution channel for app developers in the Android mobile ecosystem, which allows its owners to capitalize on the apps brought to market.

Based on its assessment, the CCI found Google to be dominant in the markets for licensable OS for smart mobile devices & market for app stores for Android smart mobile OS, in India. Selling of in-app digital goods constitutes an important means for app developers to monetize their creations/innovations. However, for in-app digital goods to be distributed to purchasing users, developers must configure their apps so that all purchases of the digital goods go through Google's payment system, which processes the transactions.

Google's Play Store policies require the App developers to exclusively and mandatorily use Google Play's Billing System (GPBS) not only for receiving payments for Apps (and other digital products like audio, video, games) distributed/sold through the Google Play Store but also for certain in-app purchases i.e. purchases made by users of Apps after they have downloaded/ purchased the App from the Play Store. Further, app developers cannot, within an app, provide users with a direct link to a webpage containing an alternative payment method or use language that encourages a user to purchase the digital item outside of the app (anti-steering provisions).

If the app developers do not comply with Google's policy of using GPBS, they are not permitted to list their apps on the Play Store and thus, would lose out the vast pool of potential customers in the form of Android users. Making access to the Play Store dependent on mandatory usage of GPBS for paid apps and in-app purchases is one sided and arbitrary and devoid of any legitimate business interest. The app developers are left bereft of the inherent choice to use

*For details:*

*<https://pib.gov.in/PressReleasePage.aspx?PRID=1870819>*

### **5th European Union-India Competition Week 2022 Inaugurated (December 05, 2022)**

The European Union-India Competition Week, 5th edition, was inaugurated on December 05, 2022 at the Competition Commission of India (CCI) HQ by Dr. Sangeeta Verma, acting Chairperson, CCI, and Mr. Seppo Nurmi, Deputy Head of Delegation of the EU to India & Bhutan. The Competition Week is scheduled to be held during 5-7 December, 2022. In her opening remarks, Chairperson, CCI appreciated the relevance of the Competition Week for capacity building of CCI officers. Dr. Verma also highlighted the ongoing cooperation between CCI and Directorate General for Competition of the European Commission under the Memorandum of Understanding (MoU) signed by the two authorities in November 2013. Further, she pointed out that this technical cooperation program has provided a platform for dialogue and exchange of good practices between competition authority officials and experts from the EU and India.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1880951>

### **Panel suggests changes to Competition Law Amendment Bill (December 14, 2022)**

A Parliamentary committee on December 13, 2022 recommended several changes to a bill to amend the competition law, including bringing cartels under the scope of settlements as a “pragmatic recourse.” The Parliamentary Standing Committee on Finance, in its report tabled in Lok Sabha, also said the “current prima-facie opinion timeline and that of passing the order for approval of combinations, should remain unchanged.”

*For details:*

<https://www.newindianexpress.com/business/2022/dec/14/panel-suggests-changestocompetition-law-amendment-bill-2528028.html>

### **Competition Bill: Panel asks for explicit definition of material influence (December 14, 2022)**

The parliamentary standing committee on finance in its report has asked the corporate affairs ministry (MCA) to clarify the definition of material influence threshold – which has been introduced in the Competition Amendment Bill to ascertain who has control over an enterprise. MCA has talked about positive and negative control – the latter is about the ability to block special resolution, which would determine the material influence. The committee has also said intellectual property rights (IPR) should be included as a defence against abuse of dominant position.

*For details:*

[https://www.business-standard.com/article/companies/competition-bill-panel-asks-for-explicit-definition-of-material-influence-122121401017\\_1.html](https://www.business-standard.com/article/companies/competition-bill-panel-asks-for-explicit-definition-of-material-influence-122121401017_1.html)

### **House panel seeks to rein in Big Tech firms with digital competition law (December 22, 2022)**

The Parliamentary Standing Committee on Finance has presented a set of recommendations to rein in Big Tech companies through a digital competition law for regulating anti-competitive practices on their platforms. The report underlined the need for ex-ante regulations – which are cautionary and based on anticipated changes or activity – and said the government must frame a definition for Systemically Important Digital Intermediaries (SIDIs) that need tighter regulations. The classification could be based on revenues, market capitalisation, and the number of active users. Technology behemoths such as Alphabet (which owns Google), Meta (which owns Facebook), and Amazon are among those recognised the world over as Big Tech companies that act as crucial digital intermediaries. The panel said a top tech company must not "favour its own offers over the offers of its competitors" when acting as mediators.

*For details:*

[https://www.business-standard.com/article/current-affairs/parliamentary-panel-wantsto-rein-in-big-tech-with-digital-competition-law-122122201080\\_1.html](https://www.business-standard.com/article/current-affairs/parliamentary-panel-wantsto-rein-in-big-tech-with-digital-competition-law-122122201080_1.html)

### **Trouble for DLF as NCLAT junks clean chit by CCI (December 23, 2022)**

In a landmark ruling, the National Company Law Appellate Tribunal (NCLAT) remanded a matter related to realty major DLF back to the Competition Commission of India (CCI) for a fresh order on the basis of the first investigation report in the case. The CCI had earlier closed the case against DLF on the basis of a supplementary investigation report, a move found to be beyond the jurisdiction of the competition watchdog.

Source: Print version of The Hindu Businessline News Paper dated December 23, 2022.

# International Business News

## Info Capsule Series 14

### **India's 2022-23 sugar output seen up 2%, exports at 9 million tonnes (October 19, 2022)**

India is expected to produce around 36.5 million tonnes of sugar in the new season that began on Oct. 1, 2022 a leading industry body said on Monday, up 2% from the previous season. India, the world's biggest sugar producer and the second biggest exporter behind Brazil, churned out around 35.8 million tonnes of the sweetener in the 2021- 22 season, according to the Indian Sugar Mills Association (ISMA), a producers' body.

*For details:*

<https://www.hellenicshippingnews.com/indias-2022-23-sugar-output-seen-up-2-exports-at-9-million-tonnes/>

### **Wheat export doubles to USD 1.48 bn in April September (November 02, 2022)**

The country's wheat exports more than doubled to USD 1.48 billion during April-September 2022-23 as compared to the year-ago period, the commerce ministry said on Wednesday. The exports stood at USD 630 million in the year-ago period.

*For details:*

<https://economictimes.indiatimes.com/news/economy/foreign-trade/wheat-export-doubles-to-usd-1-48-bn-in-aprilseptember/articleshow/95256416.cms>

### **India seeks to include steel in export incentive scheme (November 09, 2022)**

India's trade ministry has sought to extend an export promotion scheme to reimburse some local levies for domestic steel producers, a senior government official said, as the industry reels from steep fall in shipments.

*For details:*

<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/india-seeks-to-includesteel-in-export-incentive-scheme/articleshow/95394960.cms>

### **Indian exports expected to grow at 12 percent rate (November 13, 2022)**

India's exports will have an annual growth rate of 10 to 12 percent, despite external headwinds, Minister of Commerce and Industry Piyush Goyal said on Sunday, November 13, 2022. He stated that factors such as high inflation in Western countries and slowing growth momentum could have some impact on India's exports.

### **How can the Private Sector help India become a Net Defence Exporter? (November 13, 2022)**

At the recent DefExpo-2022, Prime Minister Narendra Modi had said that India is set to become a major defence equipment manufacturer despite the global monopoly of a few companies. He was hinting at India's aim to become net exporter of defence technology and equipment. At the curtain raiser for the event, Defence Minister Rajnath Singh had set the export target for 2025 at Rs 35,000 crore. Both the top leaders had mentioned that private sector has an important role to play in achieving these targets.

*For details:*

<https://www.outlookindia.com/business/how-can-the-private-sector-help-indiabecome-a-net-defence-exporter--news-237152>

### **India's Foreign Trade: October 2022 (November 15, 2022)**

India's overall exports (Merchandise and Services combined) in October 2022 are estimated to be USD 58.36 Billion, exhibiting a positive growth of 4.03 per cent over the same period last year. Overall imports in October 2022 are estimated to be USD 73.00 Billion, exhibiting a positive growth of 11.82 per cent over the same period last year.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1876131>

### **Air India strengthens network from India to six destinations in USA and Europe (November 24, 2022)**

Air India announced the strengthening and expansion of its global footprint with the launch of new flights connecting Mumbai with New York, Paris and Frankfurt, and the resumption of non-stop flights connecting Delhi with Copenhagen, Milan and Vienna. This expansion comes as the airline continues to make progress in augmenting its fleet with newly-leased aircraft, and the return of existing aircraft to active service.

### **Government lifts ban on exports of organic non-basmati rice (November 29, 2022)**

In a notification, the Directorate General of Foreign Trade said the export of organic non-basmati rice, including organic non-basmati broken rice, will now be governed by rules that prevailed before the September ban. The government on Tuesday, November 29, 2022 lifted the ban on exports of organic non-basmati rice, including broken rice after the easing of domestic supplies moderated prices.

### **Indian auto component exports excelled despite economic slowdown (December 12, 2022)**

According to the Automotive Component Manufacturers Association of India (ACMA), the total exports grew by 43% during the financial year as compared to just a 33% rise in imports. The common trend in the Indian auto component industry is more imports and less export, resulting in a trade deficit. However, the financial year 2021-22 has been an exception as for the first time ever the industry witnessed a significant trade surplus of \$700 million.

### **India: Exports rise marginally to \$32 bn in November; trade deficit lowest in 7 months (December 19, 2022)**

India's merchandise exports grew just 0.59 per cent year-on-year in November at \$31.99 billion, as tepid external demand and fears of a recession in developed economies continued to weigh on demand. Month-on-month, exports grew 7 per cent. While the growth in exports started slowing from July, merchandise exports contracted for the first time in two years last month because of domestic factors such as the festival season and external factors.

### **India will be big export economy, benefit from open, connected internet: Sundar Pichai (December 19, 2022)**

Indian-origin Google CEO Sundar Pichai said on Monday that India will be a big export economy and the country will benefit from open and connected internet. While speaking at Google for India event, Sundar Pichai said the country needs to create a balance between safeguarding citizens and enabling companies to innovate with its framework.

*For details:*

<https://www.livemint.com/news/india-will-be-big-exporteconomy-benefit-from-open-connected-internet-sundarpichai-11671461400376.html>

### **Solar exports jump after US ban on China goods (December 22, 2022)**

Indian solar module exports have jumped sharply, driven mostly by rising shipments to the US after Washington's ban on import of items suspected to have been made using 'forced labour' left supplies from China stranded.

*For details:*

<https://timesofindia.indiatimes.com/india/solar-exports-jump-after-us-ban-on-chinagoods/articleshow/96411484.cms>

### **India-GCC trade grows to \$154.6bn (December 26, 2022)**

Bilateral trade between India and the GCC (Co-operation Council for the Arab States of the Gulf) region rose 40.53 per cent to \$111.71 billion between April and October 2022, compared to \$79.49bn in the same period last year, Anupriya Patel, Minister of State for Commerce and Industry, told the Indian parliament.

*For details:*

[https://www.gdnonline.com/Details/1160776/India-GCC-trade-grows-to-\\$1546bn](https://www.gdnonline.com/Details/1160776/India-GCC-trade-grows-to-$1546bn)

### **India Makes Inroads Into Sri Lanka Under China's Long Shadow (December 27, 2022).**

When Sri Lanka slid into its worst economic crisis in seven decades leading to deadly riots and alarming shortages of fuel, food and medicines earlier this year, its giant northern neighbour stepped into the breach. India provided about \$4 billion in rapid assistance between January and July, including credit lines, a currency swap arrangement and deferred import payments, and sent a warship carrying essential drugs for the island's 22 million people.

# Business & Economic News

## Info Capsule Series 14

### Centre lays down 75-point climate-friendly agenda under Mission LiFE (October 26, 2022)

The Union government published a list of 75 lifestyle practices that can be taken up as climate-friendly behaviour under the Mission LiFE (Lifestyle for Environment). Union environment minister Bhupender Yadav in a tweet shared the list of 75 actions under the seven categories - energy, water saving, single-use plastic, sustainable food systems, waste reduction (swachhata actions), healthy lifestyle, and e-waste. Nineteen actions have been published under the energy saving agenda, ranging from preference for CNG/EV vehicles to installing earthen pots for cooling water. For water saving, 15 actions can be taken from adaptation of cultivation of less water-intensive crops to creating rainwater harvesting infrastructure in home, schools/offices. For reducing plastic use, 11 actions were highlighted, from using recycled plastic to use of steel lunch boxes. For sustainable food seven actions can be taken, from creating a kitchen garden to preferring locally available and seasonal food. Under the waste reduction (swachhata actions), healthy lifestyle adaptation and e-waste reaction, 11, 9 and 4 actions respectively were highlighted from feeding unused and uncooked vegetables leftover to cattle to preferring cloud storage over a pen drive/hard drive.

*For details:*

[https://www.business-standard.com/article/current-affairs/mission-life-centre-laysdown-75-point-agenda-under-seven-categories-122102600703\\_1.html](https://www.business-standard.com/article/current-affairs/mission-life-centre-laysdown-75-point-agenda-under-seven-categories-122102600703_1.html)

### **Finance Minister says India's growth resilient despite exogenous threats (October 26, 2022)**

Finance Minister Nirmala Sitharaman said that despite exogenous threats, India's welltargeted policy mix, accompanied by major structural reforms and sound external balance sheet, have aided its growth to remain resilient. She made these observations while attending the 7th Annual Meeting of the Board of Governors of the Asian Infrastructure Investment Bank (AIIB), via video conferencing. While advocating the need to enhance climate finance, the Finance Minister highlighted that Prime Minister Narendra Modi is actively leading India's climate change response efforts through various programmes such as 'Lifestyle for Environment' among many others. Sitharaman urged the bank's management to further intensify private sector capital mobilisation and explore mechanisms to augment its lending headroom.

*For details:*

[https://www.business-standard.com/article/current-affairs/finance-minister-says-indias-growth-resilient-despite-exogenous-threats-122102600767\\_1.html](https://www.business-standard.com/article/current-affairs/finance-minister-says-indias-growth-resilient-despite-exogenous-threats-122102600767_1.html)

### **India launches probe into MG Motor as scrutiny on Chinese firms widens (November 01, 2022)**

India has begun an inquiry into MG Motor India Private Ltd. over alleged financial irregularities, according to people with knowledge of the matter, deepening a scrutiny of Chinese firms operating in the country. The probe against the local unit of the Chinese carmaker SAIC Motor Corp Ltd. has been initiated by India's Ministry of Corporate Affairs. The scrutiny started after a detailed analysis of the company's financial statements indicated suspicious related-party transactions, alleged tax evasion, under and over-invoicing of bills and other irregularities.

*For details:*

[https://www.businessstandard.com/article/companies/india-launches-probe-intomg-motor-as-scrutiny-on-chinese-firms-widens122110100090\\_1.html](https://www.businessstandard.com/article/companies/india-launches-probe-intomg-motor-as-scrutiny-on-chinese-firms-widens122110100090_1.html)

### **PM Modi says India's G20 Presidency will focus on bridging global digital divide (November 16, 2022)**

At its upcoming G20 presidency, India will focus on bridging the digital divide, especially in the developing countries and ensuring digital access is truly inclusive and the use of digital technology is really widespread, Prime Minister said on Wednesday, November 16, 2022. Addressing a session on digital transformation at the G20 Summit in Bali, PM Modi urged other G20 leaders to pledge that they will work together and that in the next decade bring about a digital transformation in the life of every human being, so that no person in the world will be deprived of the benefits of digital technology.

*For details:*

<https://www.devdiscourse.com/article/international/2253546-pm-modi-says-indias-g20-presidency-will-focus-on-bridging-global-digital-divide>

### **MHA's digital nod mandatory for foreign hospitality to government servants (November 22, 2022)**

The Ministry of Home Affairs (MHA) on Monday revised its guidelines linked to acceptance of foreign hospitality by members of legislatures, office-bearers of political parties, judges, government officials and employees of corporations who travel outside India, asking them to seek prior "online" permission from the Ministry.

As per new guidelines, Rule 7 of the Foreign Contribution Regulation Rules, 2011 says that "any person belonging to these categories who wishes to avail foreign hospitality shall apply to the central government in electronic form in Form FC-2 for prior permission to accept such foreign hospitality".

The rule specifies that "every application for acceptance of foreign hospitality shall be accompanied by an invitation letter from the host or the host country, as the case may be, and administrative clearance of the Ministry or Department concerned in case of visits sponsored by a Ministry or Department of the Government".

The application for grant of permission to accept foreign hospitality must reach the appropriate authority ordinarily two weeks before the proposed date of onward journey, mentions the rule.

*For details:*

[https://www.business-standard.com/article/current-affairs/mha-s-digital-nod-mandatory-for-foreign-hospitality-to-govt-servants-122112200426\\_1.html](https://www.business-standard.com/article/current-affairs/mha-s-digital-nod-mandatory-for-foreign-hospitality-to-govt-servants-122112200426_1.html)

### **India's GDP growth may average 6.3% between 2021 and 2030: S&P report**

The S&P Global Market Intelligence on Tuesday projected India's real gross domestic product (GDP) growth to average 6.3 per cent annually between financial years 2021 and 2030, enabling it to overtake Japan and Germany to become the world's third-largest economy in nominal US dollar terms.

Real income per capita is projected to achieve significant average growth of 5.3 per cent, with Indian households becoming the greatest spenders among G20 economies.

*For details:*

[https://www.businessstandard.com/article/economypolicy/india-s-gdp-growth-toaverage-6-3-between-2021-and2030-s-p-report122112301079\\_1.html](https://www.businessstandard.com/article/economypolicy/india-s-gdp-growth-toaverage-6-3-between-2021-and2030-s-p-report122112301079_1.html)

### **Eye on clean energy, government aims to build small modular N-reactors (November 28, 2022)**

Recognizing the critical role of nuclear power in India's lean energy transition, the government on Sunday said the country is taking steps for development of small modular reactors (SMR) with up to 300 MW capacity that may not just be cost effective but also simpler and safer as compared to large nuclear plants.

*For details:*

[http://timesofindia.indiatimes.com/articleshow/95812092.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/95812092.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

#### **Amazon to shut down distribution unit in India, focus on core businesses (November 28, 2022)**

Amazon India has decided to shut down 'Amazon Distribution', according to sources. This follows its recent decision to shut its food delivery and edtech offerings. The moves are part of the annual operating planning review process amid global macroeconomic uncertainty. The e-commerce giant is looking to focus on its core businesses, sources said. Amazon Distribution operates platform where sellers sell fast-moving consumer goods and apparel products from companies and distributes them among hundreds of kiranas and small neighbourhood stores. However, this unit only operated in three cities of Karnataka –Bengaluru, Mysuru and Hubballi. About 50 employees worked on the Amazon Distribution project.

*For details:*

[https://www.business-standard.com/article/companies/amazon-to-shut-down-distribution-unit-in-india-focus-on-core-businesses-122112700533\\_1.html](https://www.business-standard.com/article/companies/amazon-to-shut-down-distribution-unit-in-india-focus-on-core-businesses-122112700533_1.html)

#### **Centre allows ED to share info with 15 more agencies including NIA, CCI (November 28, 2022)**

The government has allowed the Enforcement Directorate to share information about economic offenders with 15 more agencies, including SFIO, CCI and NIA, a move that will expedite nailing of law-breakers.

The finance ministry notified changes to the Prevention of Money Laundering Act (PMLA), 2002, on November 22.

Through the notification, the Enforcement Directorate (ED), which deals primarily with cases of money laundering and violations of foreign exchange laws, would be able to share data with a total of 25 agencies, including the 10 specified earlier.

These 15 agencies include National Investigation Agency (NIA), Serious Fraud Investigation Office (SFIO), State Police Department, regulators under various Acts, Directorate General of Foreign Trade (DGFT), Ministry of External Affairs, and Competition Commission of India (CCI). National Intelligence Grid, Central Vigilance Commission (CVC), Defence Intelligence Agency,

National Technical Research Organisation, Military Intelligence, inquiry authority under Central Civil Services Rules and Wildlife Crime Control Bureau too have been added to the list of agencies for data sharing.

*For details:*

[https://www.business-standard.com/article/current-affairs/centre-allows-ed-to-share-info-with-15-more-agencies-including-nia-cci-122112800775\\_1.html](https://www.business-standard.com/article/current-affairs/centre-allows-ed-to-share-info-with-15-more-agencies-including-nia-cci-122112800775_1.html)

### **Today, India commences its G20 presidency (December 01, 2022)**

The previous 17 presidencies of the G20 delivered significant results – ensuring macroeconomic stability, rationalising international taxation, and relieving the debt burden on countries, among many other outcomes. We will benefit from these achievements, and build further upon them. However, as India assumes this important mantle, I ask myself – can the G20 go further still? Can we catalyse a fundamental mindset shift, to benefit humanity as a whole? I believe we can. Our mindsets are shaped by our circumstances. Through all of history, humanity lived in scarcity. We fought for limited resources, because our survival depended on denying them to others. Confrontation and competition – between ideas, ideologies and identities – became the norm.

*For details:*

[https://www.business-standard.com/article/opinion/today-india-commences-its-g20-presidency-122113001333\\_1.html](https://www.business-standard.com/article/opinion/today-india-commences-its-g20-presidency-122113001333_1.html)

### **The 1st Sherpa Meeting of India's G20 Presidency begins today in the historic city of Udaipur, Rajasthan (December 04, 2022)**

The 1st Sherpa Meeting of India's G20 Presidency commenced on December 04, 2022, in Udaipur Rajasthan. A series of briefings and interactions with the media and a side event on Transforming Lives at the Midpoint of the 2030 Agenda: Accelerating Achievement of the Sustainable Development Goals in an Era of Cascading and Multiple Crises were organised. The day also witnessed the arrival of Sherpas and delegations of various G20 nations and heads of invited International Organisations at Udaipur. The four-day gathering (04-07 December 2022) of the Sherpas of G20 Members, invited countries and International Organizations will set the stage for the important conversation on some of the most pressing issues of our time, including technological transformation, green development and LiFE, spotlighting women-led development, accelerating implementation of the SDGs, and facilitating inclusive and resilient growth.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1880863>

### **ESIC approves proposal to invest surplus funds in stock market through ETFs (December 04, 2022)**

Government's social security body Employees' State Insurance Corporation (ESIC) on Sunday approved a proposal to invest its surplus funds in the stock market through exchange traded funds (ETFs). The decision was taken in the 189th meeting of ESIC held on Sunday at ESIC headquarters under the chairmanship of Union labour minister Bhupender Yadav, a labour ministry statement said. Due to relatively low returns on investments in various debt instruments coupled with the need to diversify investment, ESIC gave its approval for investments of surplus funds in equities restricted to ETFs.

*For details:*

[https://www.business-standard.com/article/pti-stories/esic-to-invest-surplus-funds-in-stock-market-through-etfs-122120400776\\_1.html](https://www.business-standard.com/article/pti-stories/esic-to-invest-surplus-funds-in-stock-market-through-etfs-122120400776_1.html)

### **Adani bags 8% in NDTV open offer, total hits 37% (December 06, 2022)**

Adani Media Networks has acquired an 8% additional stake in the open offer for NDTV, increasing its total shareholding to 37% in the media company. It had initially acquired 29% in NDTV and subsequently made an open offer for an additional 26% stake in line with India's takeover rules. The open offer closed on December 05, 2022 (Monday). Adani's shareholding in NDTV is now higher than the 32% held by the media company's founders Prannoy Roy and Radhika Roy. Both Adani and the Roys will be listed as promoters of NDTV, said Shriram Subramanian, founder of proxy advisory firm InGovern.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/adani-bags-8-in-ndtvopen-offer-total-hits-37/articleshow/96016290.cms>

### **Government recognizes 84,102 entities as startups as on November 30 (December 07, 2022)**

The government has recognised as many as 84,102 entities as startups as on November 30, 2022. These startups are eligible for availing host of incentives, including income tax benefits under the Startup India scheme, launched in January, 2016.

*For details:*

<https://timesofindia.indiatimes.com/business/startups/trend-tracking/govt-recognises-84102-entities-asstartups-as-on-november30/articleshow/96062619.cms>

### **Multi-State Cooperative Societies (Amendment) Bill, 2022 Introduced In Lok Sabha (December 07, 2022)**

The Central Government on December 07, 2022 introduced the Multi-State Cooperative Societies (Amendment) Bill, 2022 with an objective to enhance transparency and accountability, and improve the ease of doing business by reducing the period of registration. The Bill proposes to amend Multi-State Co-operative Societies Act, 2002 in light of 97th Constitutional Amendment Act of 2011 which inserted Part IXB in the constitution.

*For details:*

<https://www.livelaw.in/news-updates/multi-statecooperative-societies-amendment-bill-2022-introduced-in-lok-sabha-216060>

### **Government extends Rooftop Solar Programme till March 2026 (December 08, 2022)**

The Government on January 08, 2022 asked consumers not to pay any additional charge for solar installations as the 'Rooftop Solar Programme' has been extended till March 31, 2026. The programme has been extended till 31.03.2026 and therefore, subsidy under the programme will be available until the target under the programme is achieved, Ministry of New and Renewable Energy (MNRE) said in a statement.

*For details:*

<https://economictimes.indiatimes.com/industry/renewables/government-extendsrooftop-solar-programme-till-march-2026/articleshow/96091604.cms>

### **Bill to promote use of non-fossil fuels introduced in Rajya Sabha (December 08, 2022)**

A bill that seeks to promote the use of non-fossil fuels, including ethanol, green hydrogen and biomass, was introduced in Rajya Sabha for passage on December 08, 2022. The Energy Conservation (Amendment) Bill, 2022, is also aimed at helping the country achieve its international commitments on climate change.

*For details:*

<https://economictimes.indiatimes.com/industry/renewables/bill-to-promote-use-of-nonfossil-fuels-introduced-in-rajya-sabha/articleshow/96089504.cms>

### **Government pushes for promotion of data Quality Index & Governance at G20 (December 14, 2022)**

In the latest G20 Presidency working group meeting, India made a strong recommendation to promote institutions including the National Data Analytics Platform and Data Governance Quality Index. The meeting was hosted by India's Sherpa Amitabh Kant and attended by several international guests. India took over the G20 Presidency from Indonesia in 2022 and has been pushing for several new reforms in the tech segment.

*For details:*

<https://inc42.com/buzz/govt-pushes-for-promotion-of-data-quality-index-governance-atg20/#:~:text=In%20the%20latest%20G20%20Presidency,attended%20by%20several%20international%20guests>

### **G20 under India can make progress in debt relief, crypto: Gita Gopinath (December 15, 2022)**

G-20, under India's presidency, can make concrete progress on three critical areas: debt relief, regulations of crypto currency and climate finance, International Monetary Fund's First Deputy Managing Director Gita Gopinath said. Gopinath, who is in India to participate in deliberations held as part of G-20, explained the three areas in a video posted on Twitter. "We have a large number of low-income countries that are in debt distress. While we have the G-20 common framework to help with debt resolution, we absolutely need to improve the strength of the mechanism and to get much more timely resolution," she said.

*For details:*

[https://www.business-standard.com/article/current-affairs/g20-under-india-can-makeprogress-in-debt-relief-crypto-gita-gopinath-122121500137\\_1.html](https://www.business-standard.com/article/current-affairs/g20-under-india-can-makeprogress-in-debt-relief-crypto-gita-gopinath-122121500137_1.html)

### **IPO pipeline in India seen active in 2023 on smaller deals, shows data (December 15, 2022)**

India is expected to see a steady flow of small-to-mid-sized deals next year as investors grow wary about large listings after the disastrous performance of some major technology initial public offerings. Several of the country's major startups shed billions of dollars in value since their listing as concerns over high valuations and rising interest rates globally dented demand for technology stocks. The selloff worsened as early investors pared stakes after the end of lock-up periods. Investors will likely be more selective heading into 2023 as recession risks dim the prospects for growth stocks. Traders may instead turn their attention to smaller deals in other sectors.

*For details:*

[https://www.business-standard.com/article/markets/ipo-pipeline-in-india-seen-active-in2023-on-smaller-deals-shows-data-122121501382\\_1.html](https://www.business-standard.com/article/markets/ipo-pipeline-in-india-seen-active-in2023-on-smaller-deals-shows-data-122121501382_1.html)

### **Government preparing to amend insolvency law to reduce time period for resolution process (December 18, 2022)**

Government is preparing to amend the insolvency law as it looks to reduce the time taken for completion of resolution process of stressed assets and prevent significant erosion of value of the assets. The amendments to the Insolvency and Bankruptcy Code (IBC), which came into force in 2016 for timely resolution of stressed assets, are expected to be introduced in the Budget session of Parliament early next year.

*For details:*

<https://economictimes.indiatimes.com/news/economy/policy/government-preparing-toamend-insolvency-law-to-reduce-time-period-for-resolutionprocess/articleshow/96319175.cms>

### **Tata's Bigbasket eyes IPO by 2025 after \$200 million fundraising (December 21, 2022)**

Tata Group's Bigbasket may list its shares within three years after the latest capital raising valued India's largest online grocer at \$3.2 billion. The Bengaluru-based e-commerce firm, which is focusing on expanding its pan-India reach, may choose to launch an initial public offering in 24 to 36 months but was open to raising more private capital before that, Chief Financial Officer Mr. Vipul Parekh said in an interview.

*For details:*

<https://economictimes.indiatimes.com/markets/ipos/fpos/tatas-bigbasket-eyes-ipo-by-2025-after-200-million-fundraising/articleshow/96396044.cms>

### **Notification G.S.R 901(E) issued to promote ease of doing business and transparency in the sale and purchase of registered vehicles through dealers (December 28, 2022)**

The Ministry of Road Transport and Highways (MoRTH) has issued a notification G.S.R 901(E) on 22 December 2022 to promote ease of doing business and transparency in the sale and purchase of registered vehicles through dealers. The pre-owned car market in India has been gradually gaining ground. In recent years, the advent of online marketplaces, which are involved in buying and selling of preowned vehicles has further given a boost to this market. In the current ecosystem, many issues were being faced viz. during transfer of vehicle to subsequent transferee, disputes in regard to third party damage liabilities, difficulty in determination of defaulter etc. MoRTH has now amended Chapter III of Central Motor Vehicle Rules, 1989 to build a comprehensive regulatory ecosystem for the pre-owned car market. The key provisions of the proposed rules are as follows:

1. An authorization certificate for the dealers of registered vehicles has been introduced to identify the authenticity of a dealer.
2. Furthermore, the procedure for intimation of delivery of vehicle between the registered owner and the dealer has been detailed.
3. The powers and responsibilities of a dealer in possession of registered vehicles have also been clarified.
4. Dealers have been empowered to apply for renewal of registration certificate/ renewal of certificate of fitness, duplicate registration certificate, NOC, transfer of ownership, of motor vehicles in their possession.

5. As a regulatory measure, maintenance of an electronic vehicle trip register has been mandated which would contain details of the trip undertaken viz. trip purpose, driver, time, mileage etc.

These rules will aid in recognizing and empowering intermediaries / dealers of registered vehicles as well as provide adequate safeguards against fraudulent activities to the selling or purchasing of such vehicles.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1886986#:~:text=The%20Ministry%20of%20Road%20Transport,has%20been%20gradually%20gaining%20ground>

#### **Air India is no longer subject to writ jurisdiction, says Delhi HC (December 28, 2022)**

The Delhi High Court has refused to entertain a plea against Air India by the Indian Airlines Officers Association seeking pay and allowance arrears, saying the airline has ceased to be a government-controlled company and is no longer amenable to its writ jurisdiction. Justice Jyoti Singh observed that the petition was undoubtedly maintainable when it was filed in 2016 on account of Air India then being a public body but with the change of circumstance with respect to its ownership, the court is precluded from granting the relief sought in the present proceedings.

It is an admitted position that during the pendency of the present writ petition, on 27.01.2022, 100 per cent shareholding of Air India has been acquired by M/s. Talace Pvt. Ltd. and Air India having ceased to be a Government controlled company, is no longer amenable to the writ jurisdiction of this Court. The writ petition cannot be entertained, said the court in its recent order. The court, while disposing of the petition, nonetheless clarified that the petitioner is free to take recourse to remedies available to them in law before an appropriate forum and Air India shall be responsible for clearing the dues if the claim succeeds.

*For details:*

[https://www.business-standard.com/article/current-affairs/pakistan-has-no-otheroption-except-implementing-imf-deal-says-pak-pm-122122800554\\_1.html](https://www.business-standard.com/article/current-affairs/pakistan-has-no-other-option-except-implementing-imf-deal-says-pak-pm-122122800554_1.html)

# IFSCA

## Info Capsule Series 14

### **Consultation Paper on proposed International Financial Services Centres Authority (Maintenance of Website) Regulations, 2022 (October 20, 2022)**

IFSCA has proposed to notify regulations for maintenance of its website namely International Financial Services Centres Authority (Maintenance of Website) Regulations, 2022. The draft International Financial Services Centres Authority (Maintenance of Website) Regulations, 2022 are placed on the website of IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / views/ suggestions through e-mail to Mr. Abhishek Faujdar at [abhishek.faujdar@ifsc.gov.in](mailto:abhishek.faujdar@ifsc.gov.in) with a copy to Mr. Matam Satya Prateek at [prateek.matam@ifsc.gov.in](mailto:prateek.matam@ifsc.gov.in) by 11th November, 2022 in the provided format. It is requested to provide comments in MS Word or MS Excel format. The objective of this Consultation Paper is to seek comments/ views/ suggestions from the public and stakeholders on the proposed regulations for enabling the International Financial Services Centres Authority to design, develop and maintain a best-in-class website, comparable to those of other international financial sector regulators.

*For details:*

<https://ifsc.gov.in/Viewer/ReportandPublication/34>

### **IFSCA (Anti Money Laundering, Counter Terrorist - Financing and Know Your Customer) Guidelines, 2022(November 01, 2022)**

IFSCA has issued International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022. They have come into force from the date of its publication in the official gazette. These Guidelines are applicable to every Regulated Entity which is licensed, recognised or registered by International Financial Services Centres Authority (IFSCA) and also to the Regulated Entities authorised by it. They also apply to a Financial Group of the Regulated Entity, to such extent as specified in Chapter-XII which is related to Process of Identification and reporting of Suspicious Transactions.

*For details:*

<https://ifsc.gov.in/Viewer/Index/356>

### **IFSCA executes MoU with the Reserve Bank of India (November 16, 2022)**

The International Financial Services Centres Authority (IFSCA) and the Reserve Bank of India (RBI) have entered into a Memorandum of Understanding (MoU) for collaboration in the field of regulation and supervision of regulated entities in their respective jurisdictions. The MoU opens up avenues for cooperation between the two regulators, thereby strengthening the safety, stability and soundness of respective financial ecosystems and nurturing environments conducive to optimal business development and economic growth.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1876344>

### **Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) for Market Infrastructure institutions (MIIs) (November 16, 2022)**

IFSCA, as a member of IOSCO, has adopted the Principles for Financial Market Infrastructures (PFMIs) laid down by CPMI-IOSCO.

The Stock Exchanges (including Bullion Exchange), Clearing Corporations and Depositories (hereinafter referred to as MIIs) in IFSC form the backbone of capital market ecosystem. As part of the operational risk management, these MIIs are required to set up Disaster Recovery (DR) site to provide essential facilities and perform systemically critical functions relating to trading, clearing and settlement in securities market during any unforeseen circumstances.

A framework for Business Continuity Plan (BCP), Disaster Recovery Site (DRS) and relevant guidelines have been issued by IFSCA.

*For details:*

<https://ifsc.gov.in/Viewer/Index/359>

### **Invitation for public comments on proposed IFSCA regulations (November 21, 2022)**

In order to strengthen the regulatory framework and to promote ease of doing business related to insurance and reinsurance activities in IFSC, IFSCA has proposed to notify following draft regulations:

- (i) IFSCA (Investment by International Financial Service Centre Insurance Office) Regulations, 2022, inter-alia providing for manner and processes of making investments of assets of IIO, in various global jurisdictions including in India; and
- (ii) IFSCA (Preparation & Presentation of Financial Statements of IIOs) Regulations, 2022, inter-alia provide for Accounting Principles and Disclosures forming part of Financial Statements of IIOs registered with IFSCA.

The consultation paper along with the draft regulations are available on IFSCA's website <https://ifsc.gov.in/PublicConsultation> inviting comments/suggestions from the general public and stakeholders on the draft regulations on or before December 12, 2022.

*For details:*

<https://ifsc.gov.in/Viewer/PressReleases/362>

### **Invitation for public comments on proposed IFSCA Regulations (November 23, 2022)**

To facilitate the growth of insurance & reinsurance sector and to provide prudent best in class regulatory framework, which is at par with top international jurisdictions, IFSCA has issued certain regulations. In order to further strengthen the regulatory framework, IFSCA is proposing to notify following comprehensive regulations:

- i. IFSCA (Appointed Actuary) Regulations, 2022
- ii. IFSCA (Maintenance of Insurance Records and Submission of Requisite Information for Investigation and Inspection) Regulations, 2022

These draft regulations, inter-alia provides for appointment, powers, duties and obligations of the Appointed Actuary and records, information to be maintained by IFSC Insurance Offices, respectively.

The consultation paper along with the draft regulations are available on IFSCA's website <https://ifsc.gov.in/PublicConsultation> inviting comments / suggestions from the general public and stakeholders on these draft regulations, on or before 15th December, 2022.

*For details:*

<https://ifsc.gov.in/Viewer/PressReleases/363>

### **Report of Working Group on Financial Reporting and Capital Structure of IFSC companies in Freely Convertible Foreign Currency (November 29, 2022)**

A Working Group was constituted by the Ministry of Corporate Affairs (MCA) inter-alia to examine and make recommendations on necessary amendments in the Companies Act, 2013, Rules made thereunder and Accounting Standards. The group has submitted its report w.r.t identification of provisions of the said Act and Rules made thereunder, requiring amendments/ modifications to enable IFSC Companies to issue securities in freely convertible foreign currency, and related matters.

The Working Group has made its recommendations with a view to facilitate capital structure of IFSC companies in foreign currency and promote ease of doing business. The Working Group has also made its recommendations regarding the transition of the existing IFSC companies from INR to freely convertible foreign currency.

*For details:*

<https://ifsc.gov.in/Viewer/ReportandPublication/41>

### **Report of the Expert Committee for drafting a Legal Framework for allowing Variable Capital Company Structure in the IFSCs (November 30, 2022)**

The Expert Committee has submitted its report for drafting a legal framework for allowing Variable Capital Company structure in the IFSCs. This Report is divided into two parts. The first part, Part A summarises the key recommendations and analysis of the Committee. The Committee has agreed with many recommendations of the Krishnan Committee, its views have differed on some key issues. This part focussed on the areas of deviation. The second part, Part B carries a recommended draft legislation as well as a recommended structure for subordinate legislation relating to VCCs (Proposed Legal Framework).

*For details:*

<https://ifsc.gov.in/Viewer/ReportandPublication/42>

**Regulatory Framework for Distribution of Capital Market Products & Services (December 21, 2022)** The International Financial Services Centres Authority (IFSCA) has notified the regulatory framework for Distribution of Capital Market Products and Services under IFSCA (Capital Market Intermediaries) Regulations, 2021. Now, a regulatory framework for distribution activities has been specified. In order to protect the interest of clients, the framework provides for various eligibility requirements, a detailed code of conduct including an advertisement code, other obligations, various permissible activities, responsibilities of issuers and service providers in IFSC, etc.

*For details:*

<https://ifsc.gov.in/Viewer/PressReleases/370>

**Renewal of recognition to India International Clearing Corporation (IFSC) Limited (December 21, 2022)**

The International Financial Services Centres Authority granted renewal of recognition to the India International Clearing Corporation (IFSC) Limited (Clearing Corporation) for one year, commencing on the 29th day of December, 2022 and ending on the 28th day of December, 2023 in respect of contracts in securities.

*For details:*

<https://egazette.nic.in/WriteReadData/2022/241395.pdf>

**Renewal of recognition to India International Exchange (IFSC) Limited (December 21, 2022)**

The International Financial Services Centres Authority granted renewal of recognition to India International Exchange (IFSC) Limited (Exchange) for one year, commencing on the 29th day of December, 2022 and ending on the 28th day of December, 2023 in respect of contracts in securities.

*For details:*

<https://egazette.nic.in/WriteReadData/2022/241396.pdf>

**Invitation for public comments on proposed IFSCA (Assets, Liabilities, and Solvency Margin) Regulations, 2022 (December 29, 2022)**

IFSCA proposed to notify the regulations relating to IFSCA (Assets, Liabilities, and Solvency Margin of Life Insurance business) Regulations, 2022, and IFSCA (Assets, Liabilities, and Solvency Margin of General Insurance and Re-insurance business) Regulations, 2022. These regulations provide for the regulatory requirements towards maintenance of capital and solvency margins for transacting insurance business by IIOs registered with the Authority whether set up in an incorporated or in unincorporated form in the IFSC. The consultation paper along with the draft regulations is available on IFSCA's website <https://ifsc.gov.in/PublicConsultation> inviting comments/suggestions from the general public and stakeholders on the draft regulations to be received by the Authority, on or before January 19, 2023.

*For details:*

<https://ifsc.gov.in/Viewer/PressReleases/372>

# Technology and Automation

## Info Capsule Series 14

### **How MissCallPay wants to bring UPI to feature phone users, language no bar (November 11, 2022)**

What if you could make a payment using the UPI after giving a simple missed call? That's what MissCallPay offers to India's vast feature phone user base. The company has partnered with the Bank of India and IDFC First Bank as the supporting banks to roll out the facility. "UPI is primarily for tech-savvy smartphone users. The total user on UPI today is barely 260 million.

*For details:*

<https://indianexpress.com/article/technology/tech-news-technology/how-misscallpaywants-to-bring-upi-to-feature-phone-users-language-no-bar-8261090/>

### **New Data Bill draft to allow storage in trusted nations (November 16, 2022)**

The government will propose to allow transfer of data and its storage in "trusted geographies" in the revised draft of the data protection Bill, doing away with the data localisation requirement proposed in the earlier version. Criminal penalties proposed on employees of companies involved in data breaches also will be scrapped in the new draft, which is likely to be released for public consultation this week.

*For details:*

<https://economictimes.indiatimes.com/tech/technology/new-data-bill-draft-to-allowstorage-in-trusted-nations/articleshow/95543491.cms>

**Shri Piyush Goyal said technology, innovation and problem-solving approach of Indian Start-ups will help the country acquire global dominance in the sphere of technology (November 18, 2022)**

Speaking on an occasion, Shri Goyal said that Indian Start-ups are almost playing the role of a booster dose in the post pandemic recovery that India is leading from the front. Despite geo-political challenges that has pushed world trade back and when countries are falling into recessionary mode, it is our bright young boys and girls who have helped India lead global recovery. Shri Goyal gave examples of the recent big innovations by the Indian tech industry that have been noticed in the world. He said that initiatives like unified payment gateway, UPI, managing Covid vaccination and a common identity card for over a billion people in form of Aadhaar Card, health care through Ayushman Bharat and supply of rations seamlessly to the poorest with One nation one ration card - these are all examples of platforms developed by our young innovators.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1877150>

#### **Top 10 highlights: How the new personal data protection bill affects users and businesses**

The Digital Personal Data Protection Bill, 2022 proposes multiple modern provisions like the right of a user to know exactly what personal data of theirs is being collected, how it is managed and processed. For entities which collect and manage user data (called data fiduciaries), the proposed law chalks out all the do's and don'ts with respect to how they treat personal data. The draft legislation also seeks to create a new layer of digital governance through a data protection regulator. Here's what the draft digital personal data protection bill means for consumers, tech platforms, businesses or any other body that collects and manages user data:

- i. Right to information on personal data
- ii. Users can ask corrections, erasures
- iii. Children's behaviour can't be tracked
- iv. Dealing with data breach events
- v. Users can seek grievance redressal
- vi. Right to nominate
- vii. Users have duties, too!
- viii. Non-compliance will be costly
- ix. One more hire to make
- x. Breather for businesses on data localisation

*For details:*

<https://www.moneycontrol.com/news/economy/policy/top-10-highlights-how-the-newpersonal-data-protection-bill-affects-users-and-businesses-9561301.html>

### **Giving sweeping exemptions to the Government biggest concern in data bill: Justice BN Srikrishna (November 22, 2022)**

Sweeping exemptions to the Government in the draft Digital Personal Data Protection Bill, 2022, is the concern, says Justice BN Srikrishna, a retired judge of the Supreme Court of India who headed a 10-member committee that released the first draft of the Personal Data Protection Bill in 2018. The retired judge also called for distinction between sensitive personal data and critical personal data, and flagged that even basic data about some people such as the chief of army or the President may be too critical to be stored in foreign locations.

*For details:*

<https://economictimes.indiatimes.com/tech/technology/giving-sweeping-exemptions-to-the-government-biggest-concern-in-data-bill-justice-bnsrikrishna/articleshow/95669419.cms>

### **Data Bill offers Govt. a lot of scope to expand powers, say experts (November 22, 2022)**

The draft Digital Personal Data Protection Bill, 2022 leaves much scope for the Government to expand its powers through the executive rule-making process, legal and policy experts have said. Though the draft has significantly simplified the legislation and addressed several industry concerns regarding the Bill's previous versions, experts said the current version does not go into the specifics of the implementation.

*For details:*

<https://economictimes.indiatimes.com/tech/technology/data-bill-offers-govt-a-lot-of-scope-to-expand-powers-say-experts/articleshow/95669273.cms>

### **IT minister Ashwini Vaishnaw set to discuss Personal Data Bill with legal experts, academics (November 30, 2022)**

The Government is scheduled to meet legal experts and academicians this week to get their feedback on the draft Digital Personal Data Protection (DPDP) Bill of 2022, people in the know of the development said. The closed-door meetings, likely to be chaired by Union Electronics and Information Technology Minister Ashwini Vaishnaw, is aimed at getting initial feedback from experts since the draft of the revised bill was released for public consultation on November 18, they said.

*For details:*

<https://economictimes.indiatimes.com/tech/technology/it-minister-ashwini-vaishnaw-set-to-discuss-personal-data-bill-with-legal-experts-academics/articleshow/95864337.cms?from=mdr>

**Government Launches DigiYatra Facility at 3 Airports; Promises Data Security (December 02, 2022)** The Indian government has launched DigiYatra facility at three airports across the country. With the new facility, the passengers will now be able to access a seamless entry for their travel at the airports using facial recognition technology. Starting December 1, the DigiYatra facility will be available on IGI airport in the national capital, Kempegowda International Airport in Bangalore and Lal Bahadur Shastri International Airport in Varanasi. The service will soon be rolling out to few other airports in the coming year.

*For details:*

<https://www.gadgets360.com/internet/news/government-launch-digi-yatra-facility-3-airports-delhi-bangalore-varanasi-data-security-3570753>

### **Government to Plan Regulation of All Real-Money Online Games, to include Games of Skill and Chance (December 05, 2022)**

India's planned regulation of online gaming will apply to all real-money games after the Prime Minister's Office overruled a proposal to only regulate games of skill and leave out games of chance, according to a government document.

*For details:*

<https://www.gadgets360.com/games/news/real-money-games-government-regulation-skillchance-online-gaming-3578348>

### **Google launches anti-misinformation campaign in India (December 06, 2022)**

Google's Jigsaw subsidiary is launching a new anti-misinformation project in India, aimed at preventing misleading information that has been blamed for inciting violence, a top executive said. Indian government officials have called on tech companies such as Google, Meta, and Twitter to take stronger action against the spread of fake news. The Ministry of Information and Broadcasting (I&B) has repeatedly invoked "extraordinary powers" to block YouTube channels, and some Twitter and Facebook accounts, allegedly used to spread harmful misinformation.

*For details:*

<https://indianexpress.com/article/technology/tech-news-technology/google-launchesanti-misinformation-campaign-in-india-8309494/>

### **Stolen data of 600,000 Indians sold on bot markets so far, shows study (December 08, 2022)**

Around five million people globally have had their data stolen and sold on the bot market till date, of which 600,000 are from India. Bot markets are used by hackers to sell stolen data from victims' devices with bot malware. The study by NordVPN, of Lithuania's Nord Security, said the stolen data included user logins, cookies, digital fingerprints, screenshots and other information.

*For details:*

[https://www.business-standard.com/article/current-affairs/stolen-data-of600-000-indians-sold-on-bot-markets-so-far-shows-study-122120800457\\_1.html](https://www.business-standard.com/article/current-affairs/stolen-data-of600-000-indians-sold-on-bot-markets-so-far-shows-study-122120800457_1.html)

### **Revised telecom draft to clear air on OTT, DTH (December 09, 2022)**

The Department of Telecommunications (DoT) is probably going to unveil a revised draft of the telecommunications invoice in lower than a month, to tackle points raised by the Ministry of Data and Broadcasting and others round regulating content material of OverThe-Top (OTT) apps and broadcasting providers akin to Direct-To-Home (DTH). The absence of any particular definition of apps within the present draft raised issues that each one kinds of apps - together with streaming platforms akin to Netflix, Amazon Prime and Hotstar in addition to meals aggregators like Swiggy and Zomato - could also be regulated by the telecom division. The Ministry of Information & Broadcasting additionally raised issues on inclusion of broadcasting providers as a part of telecommunication providers within the present draft invoice.

*For details:*

[https://www.indiaonline.com/article/news-top-story/revised-telecom-draftto-clear-air-on-ott-dth-platforms-122120900091\\_1.html](https://www.indiaonline.com/article/news-top-story/revised-telecom-draftto-clear-air-on-ott-dth-platforms-122120900091_1.html)

### **Google Rolls Out Passkey Support in Chrome for Better Safety (December 10, 2022)**

Tech giant Google has started to roll out passkey support in Chrome with the Stable M108 version, for better safety. Passkeys are a safer replacement for passwords and other phishable authentication factors, the tech giant said in a blogpost. They are more secure as they cannot be reused, do not leak in server breaches and protect users from phishing attacks.

*For details:*

<https://www.news18.com/news/tech/google-rolls-out-passkey-support-in-chrome-forbetter-safety-6585973.html>

### **Data Protection Bill skimps on details (December 15, 2022)**

The 2019 Personal Data Protection Bill was shaped by a decade of work. Having withdrawn that Bill amidst a welter of concerns raised, the IT Minister had the unenviable task of going back to the drawing board. The Prime Minister wisely sought a fresh, simple and easily comprehensible Bill. The earlier JPC-version was unwieldy, cumbersome and strayed into adjacent areas. The new, concise Bill achieves the simplicity mandate by omitting areas such as non-personal and physical data. It sensibly steers clear of a detailed categorisation of personal data or types of harm and does not explicitly list social media as a separate category. Instead, it relies on a simple, straightforward definition of personal data with a crisper explanation of harm.

*For details:*

<https://www.thehindubusinessline.com/opinion/dataprotection-bill-skimps-on-details/article66268141.ece>

### **Government to set up appellate panels to redress grievances of social media users (December 20, 2022)**

The Union Government will set up appellate panels to redress the grievances the users may have against social media platforms like Twitter and Facebook on hosting contentious content following amendments to the new IT rules, the Delhi High Court was informed on December 19, 2022.

*For details:*

<https://economictimes.indiatimes.com/news/india/govt-to-set-up-appellate-panels-toredress-grievances-of-social-media-users/articleshow/96352405.cms>

### **How will AI tools change the way we use internet in 2023? (December 26, 2022)**

Artificial intelligence (AI) tools could change the way we use the internet by enabling more advanced virtual assistants and chatbots, personalizing the online experience, improving search accuracy and automating tasks. The impact will depend on how these technologies are adopted. AI is already answering basic queries, forecasting, what products customers will be interested in and sectioning loans based on probability of default.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/how-will-ai-tools-change-theway-we-use-internet-in-2023/articleshow/96504812.cms>

### **IIT Roorkee and AIIMS Delhi develop SwasthGarbh app for pregnant women (December 27, 2022)**

Under the Prime Minister Swasth Bharat Mission, researchers at IIT Roorkee have developed a new application for pregnant women called 'SwasthGarbh'. The new app is designed to provide antenatal care and real-time medical support to pregnant women. While there are a lot of apps to help women during pregnancy, most of these provide only pregnancy-related information and lack the involvement of professional clinicians. In contrast, SwasthGarbh is the first pregnancy app that gives users access to a doctor when needed. Available for free on the Google Play Store, the app can assist pregnant women with hospital visits by reminding them when they are due and what tests they have to go through and supports various languages.

*For details:*

<https://indianexpress.com/article/technology/tech-news-technology/aiims-delhi-and-iitroorkee-develop-swasthgarbh-app-pregnant-women-8346589/>

### **State Governments to oversee law for online games in their jurisdictions (December 29, 2022)**

The Central Government will define the overarching regulations for online gaming in India but the State Governments will oversee law and order situations within their jurisdictions, a report by the Economic Times (ET) said. The regulations will be "light-touch" for gaming intermediaries. They will be reportedly asked to appoint grievance redressal executives and nodal contract executives. The report added that the rules will be introduced by mid-January and public consultations will be invited.

*For details:*

[https://www.business-standard.com/article/economy-policy/state-governments-to-overseelaw-for-online-games-in-their-jurisdictions-122122900878\\_1.html](https://www.business-standard.com/article/economy-policy/state-governments-to-overseelaw-for-online-games-in-their-jurisdictions-122122900878_1.html)

### **Digital Personal Data Protection Bill Proposes to Amend RTI Act to Completely Bar Disclosure of Personal Information (November 20, 2022)**

The draft of the Digital Personal Data Protection Bill, which was released by the Ministry of Electronics and Information Technology on November 18 for public comments, has a provision which proposes to amend the Right To Information Act, 2005 (RTI Act) Now, the draft Digital Personal Data Protection bill proposes to completely take away limitations on the restrictions to disclose personal information and also to remove the powers of the public Officers to allow disclosures of such information on the ground of large public interest.

*For details:*

<https://www.livelaw.in/news-updates/digital-personal-data-protection-billproposes-to-amend-rti-act-to-completely-bar-disclosure-of-personal-information214573#:~:text=Now%2C%20the%20draft%20Digital%20Personal,ground%20of%20larger%20public%20interest>

# Ministry of Environment, Forest and Climate Change

## Info Capsule Series 14

### United Nation's Conference of Parties (December 19, 2022)

An inter-Ministerial delegation from India attended the 27th session of Conference of Parties (COP 27) to the United Nations Framework Convention on Climate Change (UNFCCC). The Parties at the Conference came together to advance on global collective action on mitigation, adaptation, loss and damage, climate finance, etc. with a view to achieve the goals under the UNFCCC and its Paris Agreement. India emphasized the necessity to adhere to the principles of UNFCCC and Paris Agreement, which include inter-alia, equity, principle of common but differentiated responsibilities (CBDR-RC) and respective capabilities and that developed countries must take lead in climate action as well as the provision of climate finance and technology transfer. This effort was undertaken also jointly with several other developing country partners and groups. As a consequence, these principles are reflected extensively in the 'Sharm El-Sheikh Implementation Plan' and other decisions of COP27. COP 27 has been termed as an 'Implementation COP'. Major outcomes of COP 27 inter-alia include decision on establishing a loss & damage fund and work programs for mitigation, just transition and climate action in agriculture. India's efforts included focusing on equity, mainstreaming national circumstances and concerns for adaptation in agriculture, the need for equity while pursuing any specific results on global peaking, net zero and emission reduction targets, supporting fair shares of the global carbon budget and for funding arrangements for loss and damage. India's efforts also led to inclusion of reference to the need for transition to sustainable lifestyles together with sustainable patterns of production and consumption in the cover decision titled 'Sharm El-Sheikh Implementation Plan'.

For details:

<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1884756>

# FSSAI

## Info Capsule Series 14

### **Food Safety and Standards (Food Products Standards and Food Additives) Second Amendment Regulations, 2022 (October 27, 2022)**

Food Safety and Standards Authority of India notified Food Safety and Standards (Food Products Standards and Food Additives) Second Amendment Regulations, 2022. They have come into force on the date of their publication in the Official Gazette.

The amendment inserted Table 11A relating to Enzymes derived from Genetically Modified Microorganisms (GMM) in the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011.

*For details:*

[https://www.fssai.gov.in/upload/notifications/2022/10/635f6a08b7c16Gazette\\_Notification\\_Processing\\_Aids\\_31\\_10\\_2022.pdf](https://www.fssai.gov.in/upload/notifications/2022/10/635f6a08b7c16Gazette_Notification_Processing_Aids_31_10_2022.pdf)

### **Draft Food Safety and Standards (Genetically Modified Foods) Regulations, 2022**

Food Safety and Standard Authority of India (FSSAI) published draft regulations namely Food Safety and Standards (Genetically Modified Foods) Regulations, 2022. These regulations apply to Genetically Modified Organisms (GMOs) intended for food use, Food ingredients produced from GMOs that contain modified DNA and Food ingredients produced from GMOs that do not contain modified DNA. It includes ingredients/additives/processing aids derived from GMOs. The regulations inter alia provides for the requirements of Prior approval for manufacture, storage, distribution, sale and import etc., its procedure, Labeling etc.

*For details:*

<https://egazette.nic.in/WriteReadData/2022/240438.pdf>

### **Draft Food Safety and Standards (Labelling & Display) Amendment Regulations, 2022 (November 30, 2022)**

Food Safety and Standards Authority of India (FSSAI) has notified Draft Food Safety and Standards (Labelling & Display) Amendment Regulations, 2022 to amend the Food Safety and Standards (Labelling & Display) Regulations, 2020. The draft regulation inter alia propose the change relating to Labelling Requirements under the principal regulations. Objections or suggestions, if any, may be addressed to the Chief Executive Officer, Food Safety and Standards Authority of India, FDA Bhawan, Kotla Road, New Delhi- 110002 or may be sent by e-mail at [regulation@fssai.gov.in](mailto:regulation@fssai.gov.in) sixty days from the date Gazette notification.

*For details:*

<https://egazette.nic.in/WriteReadData/2022/240705.pdf>

### **Food Safety and Standards (Vegan Foods) Amendment Regulations, 2022 (December 21, 2022)**

Food Safety and Standards Authority of India (FSSAI) has issued draft Food Safety and Standards (Vegan Foods) Amendment Regulations, 2022 to amend the principal regulations. The draft regulations has proposed the change relating to the design of logo on packages of vegan foods. Objections and suggestions, if any, may be addressed to the Chief Executive Officer, Food Safety and Standards Authority of India, FDA Bhawan, Kotla Road, New Delhi- 110002 or sent on email at [regulation@fssai.gov.in](mailto:regulation@fssai.gov.in). The said draft regulations shall be taken into consideration after the expiry of the period of sixty days from the date of publication.

*For details:*

<https://egazette.nic.in/WriteReadData/2022/241292.pdf>

# Labour Laws

## Info Capsule Series 14

### **Applicability of Industrial Disputes Act and E-Commerce Platform (December 12, 2022)**

Employment and retrenchment including lay-offs are a regular phenomenon in industrial establishments. Matters relating to lay-off and retrenchment in industrial establishments are governed by the provisions of the Industrial Disputes Act, 1947 (ID Act) which also regulates various aspects of lay-off and conditions precedent to retrenchment of workmen. As per the ID Act, establishments employing 100 persons or more are required to seek prior permission of the appropriate Government before effecting closure, retrenchment or lay-off. Further, any retrenchment and lay-off are deemed to be illegal which is not carried out as per the provisions of ID Act. Amazon India has informed that as a part of their annual operating planning review process, they look at each of their businesses and they believe in change. While going through this process, given the current macro-economic environment, some of their teams are making adjustments, which include giving employees in certain teams an opportunity to opt in for the Voluntary Separation Programme (VSP). They have informed that they do not force its employees to opt for the VSP. The Amazon India informed that the decision to opt in for the VSP is 100% voluntary and they are offering an extended window to employees in case they choose to revisit and/or revoke their decision. Amazon India further informed that in the event an employee does not opt in for VSP, there is no impact on his employment due to the decision.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1882843>

# Pronouncement

## Info Capsule Series 14

19/10/2022	<i>M/S New Noble Educational Society {Appellant(s)} vs. The Chief Commissioner of Income Tax 1 and Anr {Respondent (s)}</i>	<i>Supreme Court of India Civil Appeal No. 3795 of 2014</i>
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Where the objective of the charitable institution appears to be profit-oriented such institutions would not be entitled to approval under Section 10(23C) of the Income tax Act, 1961

### Brief Facts:

The subject matter of these appeals is the rejection of the appellants' claim for registration as a fund or trust or institution or any university or other educational institution (hereinafter collectively referred to as "institution / trust") set up for the charitable purpose of education, under the Income Tax Act, 1961 (hereinafter, "IT Act"). The Andhra Pradesh High Court, by its detailed impugned judgment held that the appellant trusts which claimed benefit of exemption under Section 10 (23C) of the IT Act were not created 'solely' for the purpose of education, and that to determine that issue, the court had to consider the memorandum of association or the rules or the constitution of the concerned trust.

### Judgement

The conclusions of Supreme Court of India inter-alia are summarized as follows:

It is held that the requirement of the charitable institution, society or trust etc., to 'solely' engage itself in education or educational activities, and not engage in any activity of profit, means that such institutions cannot have objects which are unrelated to education. In other words, all objects of the society, trust etc., must relate to imparting education or be in relation to educational activities.

Where the objective of the institution appears to be profit-oriented, such institutions would not be entitled to approval under Section 10(23C) of the IT Act. At the same time, where surplus accrues in a given year or set of years per se, it is not a bar, provided such surplus is generated in the course of providing education or educational activities.

While considering applications for approval under Section 10(23C), the Commissioner or the concerned authority as the case may be under the second proviso is not bound to examine only the objects of the institution. To ascertain the genuineness of the institution and the manner of its functioning, the Commissioner or other authority is free to call for the audited accounts or other

such documents for recording satisfaction where the society, trust or institution genuinely seeks to achieve the objects which it professes..... .

In a knowledge based, information driven society, true wealth is education - and access to it. Every social order accommodates, and even cherishes, charitable endeavour, since it is impelled by the desire to give back, what one has taken or benefitted from society. Our Constitution reflects a value which equates education with charity. That it is to be treated as neither business, trade, nor commerce, has been declared by one of the most authoritative pronouncements of this court in T.M.A Pai Foundation (supra). The interpretation of education being the 'sole' object of every trust or organization which seeks to propagate it, through this decision, accords with the constitutional understanding and, what is more, maintains its pristine and unsullied nature.

*For details:*

[https://main.sci.gov.in/supremecourt/2012/25090/25090\\_2012\\_1\\_1502\\_39247\\_Judgement\\_19-Oct-2022.pdf](https://main.sci.gov.in/supremecourt/2012/25090/25090_2012_1_1502_39247_Judgement_19-Oct-2022.pdf)

31/10/2022	Directorate of Enforcement {Appellant(s)} vs. Padmanabhan Kishore {Respondent(s)}	Supreme Court of India (Arising out of SLP (Crl.) No. 2668 of 2022)
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**Knowingly assists or knowingly is a party or is actually involved in any process or activity connected with proceeds of crime including its concealment, possession, acquisition or use shall be guilty of offence of money-laundering under Prevention of Money Laundering Act.**

#### **Brief Facts:**

The Respondent had allegedly handed over a sum of Rs.50,00,000/- (Rupees fifty lakhs only) to a public servant, which transaction and the surrounding circumstances were projected in FIR leading to registration of crime under Section 120B, Indian Penal Code, 1860 ("IPC", for short) and Sections 7, 12, 13(1)(d) read with Section 13(2) of the Prevention of Corruption Act, 1988 ("PC Act", for short). Later, a case was registered by the Enforcement Directorate against the accused including the Respondent under Sections 3 and 4 of the Prevention of Money Laundering Act. The basic submission advanced on behalf of the Respondent was that the amount in question, as long as it was in the hands of Respondent, could not be said to be tainted money; that it assumed such character only after it was received by the public servant; and as such the Respondent could not be said to be connected with proceeds of crime and could not be proceeded against under the provisions of the Prevention of Money Laundering Act.

#### **Judgement**

Hon'ble Supreme Court of India observed that the definition of "proceeds of crime" in Prevention of Money Laundering Act, inter alia, means any property derived or obtained by any person as a result of criminal activity relating to a scheduled offence. The offences punishable under Sections 7, 12 and 13 of the Prevention of Corruption Act, 1988 are scheduled offences, as is evident from paragraph 8 of Part-A of the Schedule to the PML Act. Any property thus derived as a result of criminal activity relating to offence mentioned in said paragraph 8 of Part-A of the Schedule would certainly be "proceeds of crime". Section 3 states, inter alia, that whoever knowingly assists or knowingly is a party or is actually involved in any process or activity connected with proceeds of crime including its concealment, possession, acquisition or use shall be guilty of offence of money-laundering. It is true that so long as the amount is in the hands of a bribe giver, and till it does not get impressed with the requisite intent and is actually handed over as a bribe, it would definitely be untainted money. If the money is handed over without such intent, it would be a mere entrustment. If it is thereafter appropriated by the public servant, the offence would be of misappropriation or species thereof but certainly not of bribe.

The crucial part therefore is the requisite intent to hand over the amount as bribe and normally such intent must necessarily be antecedent or prior to the moment the amount is handed over. Thus, the requisite intent would always be at the core before the amount is handed over. Such intent having been entertained well before the amount is actually handed over, the person concerned would certainly be involved in the process or activity connected with “proceeds of crime” including inter alia, the aspects of possession or acquisition thereof. By handing over money with the intent of giving bribe, such person will be assisting or will knowingly be a party to an activity connected with the proceeds of crime. Without such active participation on part of the person concerned, the money would not assume the character of being proceeds of crime. The relevant expressions from Section 3 of the PML Act are thus wide enough to cover the role played by such person.

Further, Apex Court held that on a bare perusal of the complaint made by the Enforcement Directorate, it is quite clear that the respondent was prima facie involved in the activity connected with the proceeds of crime.

*For details:*

[https://main.sci.gov.in/supremecourt/2022/6890/6890\\_2022\\_1\\_1502\\_39396\\_Judgement\\_31-Oct-2022.pdf](https://main.sci.gov.in/supremecourt/2022/6890/6890_2022_1_1502_39396_Judgement_31-Oct-2022.pdf)

04/11/2022	<i>Chowgule &amp; Company Limited (Appellant) vs. Assistant Director General of Foreign Trade &amp; Others (Respondents)</i>	<i>Supreme Court of India Civil Appeal No. 8225 of 2009</i>
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**No Exporter can claim the Incentive as a Matter of Right. Benefit of an Incentive is a Policy Decision which may be Varied and/or even Withdrawn.**

#### **Brief Facts:**

Under the Indian Foreign Trade Policy (hereinafter referred to as the ‘Exim Policy’ 1988- 1991, there was a provision of ‘additional licence’ and a trading house would be eligible to ‘additional licence’ on the basis of the admissible exports in the preceding licensing year. Appellant is engaged inter alia in the export of processed iron ore and is a recognised trading house and obtained ‘additional licence’ under the said policy. On relying upon the original Exim Policy, 1988-91 and acting upon the said policy, the Appellant entered into a contract with NKK Corporation, Japan on 7.2.1990, for export of processed iron ore, which was not an ineligible item in Appendix 12 under the Exim Policy, 1988-91.

In the year 1990, there was a change in the Exim Policy and the Director General, Foreign Trade came out with a new policy, namely, Exim Policy, 1990-93. According to the Exim Policy, 1990-93, Appellant was not eligible for additional licence.

The Appellant applied to the Assistant Chief Controller of Imports and Exports for grant of additional licence and it was rejected. Further, the Appellant appealed to the High Court. The High Court dismissed the writ petition by holding that the Appellant shall not be entitled to the benefit of additional licence on the export of processed iron ore during the period April, 1990 to March, 1991. Feeling aggrieved and dissatisfied with the impugned judgment and order passed by the High Court, the Appellant exporter has preferred the present appeal to the Supreme Court.

## Judgement

The Hon'ble Supreme Court of India inter alia observed that DGFT/Union is free to change the Exim Policy and consider from time to time on which items there shall be an incentive and on which items there shall not be any incentive. To grant the benefit of an incentive is a policy decision which may be varied and/or even withdrawn. No exporter can claim the incentive as a matter of right. Under the circumstances, the doctrine of promissory estoppel shall not be applicable to such a policy decision with respect to incentive, more particularly when it is well within the right of DGFT/appropriate authority/Union to come out with a new Exim Policy. Under the circumstances, the submission on behalf of the appellant that as the appellant placed the order with NKK Corporation, Japan on 7.2.1990 when the Exim Policy 1988-91 was in force and therefore the Appellant shall be entitled to the benefit of additional licence by applying the doctrine of promissory estoppel cannot be accepted.

The policy and the incentive scheme are very clear. Incentive in the form of an additional licence is on actual export in the previous year. Therefore, the relevant date shall be the date on which the export is made. Under the circumstances, the decisions relied upon on behalf of the Appellants on the principle of promissory estoppel shall not be of any assistance to the appellant and shall not be applicable at all on the facts of the case on hand.

For details:

[https://main.sci.gov.in/supremecourt/2008/22690/22690\\_2008\\_6\\_1505\\_39466\\_Judgement\\_04-Nov-2022.pdf](https://main.sci.gov.in/supremecourt/2008/22690/22690_2008_6_1505_39466_Judgement_04-Nov-2022.pdf)

11.11.2022	<i>Rajiv Chakraborty Resolution Professional of EIEL (Petitioner) vs. Directorate of Enforcement (Respondent)</i>	Delhi High Court
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**Moratorium under section 14 of IBC would not prevent the authorities under the PMLA from exercising the powers conferred by Sections 5 and 8 of PMLA**

### Facts of the Case

This writ petition raised the important question of the impact that a moratorium that comes into effect in terms of Section 14 of the Insolvency and Bankruptcy Code would have on the powers of the Enforcement Directorate to enforce an attachment under the provisions of the Prevention of Money Laundering Act, 2002.

On 19 April 2018, the ED proceeded to freeze 74 bank accounts of EIEL. The insolvency proceedings would be deemed to have commenced on 08 May 2018.

During the pendency of that challenge before NCLT, the Adjudicating Authority by its order of 17 March, 2020 confirmed the order of attachment.

On 21 May 2020, the corporate debtor is said to have received an income tax refund pertaining to the assessment year 2015-2016. On 07 July 2020, the petitioner received an email from Axis Bank, with which its bank accounts afore noted were maintained, to ascertain whether the debit freeze as imposed by ED stood lifted.

The Supreme Court while dealing with a civil appeal preferred by another creditor of EIEL, aggrieved by its non-inclusion in the list of operational creditors, stayed further proceedings in the CIRP. That interim order was ultimately vacated on 16 November 2020. It is thereafter that the instant writ petition came to be preferred before the High Court.

## Decision

The court found it important to note that the provisions for a pre-conviction attachment of properties was consciously adopted and incorporated in the PMLA to strengthen the fight against the offence of money laundering.

The Court also deems it apposite to observe that the Government while proceeding to act under the PMLA can also not be recognized to be acting as a creditor who seeks to enforce a debt.

Regard must also be had to the fact that the word “debt” itself is defined under the IBC to mean a liability or obligation which is due from any person. The action of attachment and ultimate confiscation under the PMLA is essentially to strip the possessor of the tainted property of all rights that may have otherwise been exercisable.

The court found that both NCLT and NCLAT, have correctly taken the view that the moratorium would not prevent the authorities under the PMLA from exercising the powers conferred by Sections 5 and 8 notwithstanding the pendency of the CIRP.

The Court has independently come to the conclusion that the power to attach under the PMLA would not fall within the ken of Section 14(1)(a) of the IBC. Through Section 32A, the Legislature has authoritatively spoken of the terminal point where after the powers under the PMLA would not be exercisable. The events which trigger its application when reached would lead to the erection of an impregnable wall which cannot be breached by invocation of the provisions of the PMLA. The non obstante clause finding place in the IBC thus can neither be interpreted nor countenanced to have an impact far greater than that envisaged in Section 32A which related to Liability for prior offences, etc. under Insolvency and Bankruptcy Code.

*For details:*

[https://164.100.69.66/jupload/dhc/YVA/judgement/11-112022/YVA11112022CW95312020\\_155414.pdf](https://164.100.69.66/jupload/dhc/YVA/judgement/11-112022/YVA11112022CW95312020_155414.pdf)

November 29, 2022	Federal Mogul Goetze India Ltd	GST AAR KARNATAK
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**The subsidized deduction made by the applicant from the employees who are availing food in the factory would be considered as a "supply" of canteen service by the Applicant under the provisions of Section 7 of the CGST / KGST Act 2017**

## Facts of the Case

The applicant is a manufacturer of auto components i.e. pistons, piston pins & piston rings and is engaged in manufacture, supply and distribution of the said auto components used in two/three/four wheeler automobiles. They have a factory to manufacture the auto components and have about 3200 employees working on a permanent as well as contractual basis. The applicant entered into a contract with M/s Mithrapriya Enterprises (Service Provider) for supply of manpower to operate and manage canteen within the factory premises and a part of the cost of the meals provided is deducted by the applicant from the salary of the employees on a monthly basis. In view of the above, the applicant has sought advance ruling in relation to applicability of GST on the deductions made from the salary of the employees in respect of the following questions:

Whether the subsidized deduction made by the applicant from the employees who are availing food in the factory would be considered as a "supply" by the Applicant under the provisions of Section 7 of the Central Goods and Services Tax / Karnataka Goods and Services Tax Act, 2017. a. In case answer to above is yes, Whether GST is applicable on the nominal amount being recovered by the

Applicant? b. Whether Input Tax Credit ("ITC") of the GST charged by the Service Provider would be eligible for availment to the Applicant?

### Order

The applicant is a manufacturer and thus their activity is covered under Section 2(17)(a) of the CGST Act. Further Section 2(17)(b) stipulates that any activity /transaction in connection with sub-clause (a), is included in the business. The subsidized deduction made by the applicant, from the employees who are availing food in the factory, would be considered towards "supply" of canteen service by the Applicant under the provisions of Section 7 of the CGST/ KGST Act 2017. GST is liable to be paid by the applicant on the value of the said supply to be determined under Rule 30 or 31 of the CGST Rules 2017. The services of the applicant are covered under services provided in canteen and other establishments and merit classification under SAC 996333. The said services attract GST@ 5%, without ITC in terms of Sl. No. 7 of the Notification 11/2017-Central Tax (Rate) dated June 28, 2017, as amended. Thus, the applicant is not eligible to avail Input Tax Credit ("ITC") of the GST paid on manpower supply services that are used for providing canteen facility.

For details:

<https://gst.kar.nic.in/Documents/General/Federalmogulgoetze31222.pdf>

23/12/2022	United Breweries Ltd. (Appellant) vs. CCI & Ors (Respondents)	National Company Law Appellate Tribunal, Principal Bench, New Delhi, Competition Appeal (AT) No. 23 of 2021
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It is settled that if a statute speaks to do it in a particular manner that has to be done in the same manner not in other way.

### Brief Facts:

The short fact of the case is that on the basis of an application dated 26.07.2017 filed under Section 46 of the Act read with Regulation 5 of the Competition Commission of India (Lesser Penalty) Regulations, 2009 (hereinafter referred to as 'LPR') by Crown Beers India Ltd, Respondent No.2 herein, and SABMiller India Pvt Ltd, Respondent No.3, against all the Respondents alleging cartelisation in relation to the production, marketing, distribution and sale of Beer in India, suo moto proceeding was initiated which was numbered as Suo Moto Case No.6/2017. The Competition Commission of India (CCI) on the basis of materials available on record by its order dated 31.10.2017 formed an opinion that prima facie the conduct of appellants and private respondents in contravention of provisions of Section 3(1) read with Section 3(3)(a) of the Act and by its order dated 31.10.2017 under Section 26(1) of the Act directed the Director General (hereinafter referred to as 'DG') to conduct investigation and submit report. The Commission, in terms of Section 27(a) of the Act, directs the parties to cease and desist in future from indulging in any practice/conduct/activity, which has been found in the present order to be in contravention of the provisions of Section 3 of the Act. Aggrieved by the Order of CCI Appeal before the National Company Law Appellate Tribunal. During the hearing the Appellants inter alia have raised the contention that there was no 'judicial member' in the CCI and hence the entire proceedings are void. The CCI inter alia submitted that the absence of judicial member does not render the Impugned Order void.

### Judgement

Hon'ble National Company Law Appellate Tribunal in its judgement inter alia observed that on perusal of provisions it is evident that nowhere it has been indicated that CCI must consist a Judicial Member. The Act does not reflect to add a Judicial Member for deciding the proceeding. Section 8 is

very much reflected on the issue. Even Section 9 does not indicate that Chairperson or Members of the Commission must be a Judicial Member rather there is no indication in the aforesaid provision for selecting Chairperson and Members of the Commission. There is a selection committee presided over by Hon'ble the CJI or his nominee besides other three Members. It is settled that if a statute speaks to do it in a particular manner that has to be done in the same manner not in other way. Since the statute does not speak about inclusion of Judicial Member the objection raised by learned counsel for appellant that in absence of Judicial Member order impugned is illegal has got no substance.

*For details:*

*<https://indiankanoon.org/doc/183405508/>*

# Bill Passed by Parliament

## Info Capsule Series 14

### Parliament passes bill to rename New Delhi International Arbitration Centre (December 14, 2022)

Parliament on Wednesday passed a bill to rename the New Delhi International Arbitration Centre as the India International Arbitration Centre. The Rajya Sabha passed the New Delhi International Arbitration Centre (Amendment) Bill, 2022, which was piloted by Union Law Minister Kiren Rijiju in the house. The Lok Sabha has already passed the bill on August 2022, which expands this to include the conduct of other forms of alternative dispute resolution besides arbitration.

For details:

[https://www.business-standard.com/article/current-affairs/parliament-passes-bill-to-rename-new-delhi-international-arbitration-centre-122121400915\\_1.html](https://www.business-standard.com/article/current-affairs/parliament-passes-bill-to-rename-new-delhi-international-arbitration-centre-122121400915_1.html)

Name of bills Introduced/Passed by the Lok Sabha	Purpose of the Bill	Introduced/Passed (Date)
The Jan Vishwas (Amendment of Provisions) Bill, 2022	To amend certain enactments for decriminalising and rationalising minor offences to further enhance trust based governance for ease of living and doing business.	Introduced on 22/12/2022 (Link: <a href="http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/299_2022_LS_ENG1222202244325PM.pdf">http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/299_2022_LS_ENG1222202244325PM.pdf</a> )

# Environment, Social and Governance

## Info Capsule Series 14

### **Biden Administration Proposes Climate Disclosure Rules for Federal Contractors (December 12, 2022)**

Companies considered to be “major” or “significant” US federal government contractors soon may be required to provide climate disclosures as part of the Biden Administration’s suite of policies designed to achieve net-zero targets. On November 14, 2022, the Federal Acquisition Regulatory (FAR) Council published the Federal Supplier Climate Risks and Resilience Rule (Proposed Rule).

*For details:*

*<https://www.wilmerhale.com/en/insights/blogs/ESG-Epicenter/20221208-bidenadministration-proposes-climate-disclosure-rules-for-federalcontractors#:~:text=Significant%20and%20major%20federal%20contractors,science%2Dbased%20emissions%20reduction%20targets>*

# Foreign Exchange Management

## Info Capsule Series 14

### **Hedging of Commodity Price Risk and Freight Risk in Overseas Markets (Reserve Bank) Directions (December 12, 2022)**

Resident entities in India are currently not permitted to hedge their exposure to price risk of gold in overseas markets. On a review, it has been decided to permit eligible entities to hedge their exposure to price risk of gold on exchanges in the International Financial Services Centre (IFSC) recognised by the International Financial Services Centres Authority (IFSCA). The Master Direction - Foreign Exchange Management (Hedging of Commodity Price Risk and Freight Risk in Overseas Markets) Directions, 2022 have been issued on December 12, 2022.

*For details:*

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12423&Mode=0>

# Ministry of Law & Justice

## Info Capsule Series 14

### Chairperson and Members of the 22nd Law Commission of India (November 09, 2022 )

Mr. Justice Ritu Raj Awasthi, Retired Chief Justice of Karnataka High Court appointed as Chairperson of the 22nd Law Commission of India with effect from the forenoon of 9th November, 2022 till the end of the term of the 22nd Law Commission of India.

Mr. Justice K. T. Sankaran, Retired Judge of Kerala High Court appointed as full-time Member of the 22nd Law Commission of India with effect from the forenoon of 9th November, 2022 till the end of the term of the 22nd Law Commission of India.

Shri M. Karunanithi, Advocate, Madurai, Tamil Nadu appointed as Part-time Member of the 22nd Law Commission of India with effect from the forenoon of 9th November, 2022 till the end of the term of the 22nd Law Commission of India.

For details:

<https://egazette.nic.in/WriteReadData/2022/240150.pdf>

### Justice DY Chandrachud takes oath as the 50th Chief Justice of India (November 09, 2022)

Justice DY Chandrachud on Wednesday (November 09, 2022) was sworn in as Chief Justice of India after Justice Uday Umesh Lalit demitted office. President Droupadi Murmu administered the oath of office to Justice DY Chandrachud at the swearing-in ceremony held in the Rashtrapati Bhavan.

The senior-most judge of the Supreme Court of India Justice D Y Chandrachud on Wednesday (November 09, 2022) has become the 50th head of the Judiciary of the country. He will have a tenure till November 10, 2024. Last Month the Centre Government had notified the name of Dr Justice Dhananjaya Yashwant Chandrachud, Judge of the Supreme Court, as the Chief Justice of India, with effect from November 09, 2022.

The press statement issued in this regards stated that "In exercise of the power conferred by clause (2) of Article 124 of the Constitution of India, the President is pleased to appoint Dr Justice Dhananjaya Yashwant Chandrachud, Judge of the Supreme Court, as the Chief Justice of India, with effect from November 09, 2022."

For details:

[https://www.business-standard.com/article/current-affairs/justice-dy-chandrachudtakes-oath-as-the-50th-chief-justice-of-india-122110900346\\_1.html](https://www.business-standard.com/article/current-affairs/justice-dy-chandrachudtakes-oath-as-the-50th-chief-justice-of-india-122110900346_1.html)

# Mergers & Acquisitions

## Info Capsule Series 14

**Tata Sons announces merger of Air India and Vistara; Singapore Airlines to own 25.1% in merged entity (November 30, 2022)**

Singapore Airlines (SIA) will get a 25.1 per cent stake in the merged entity at an investment of Rs 2,058.5 crore (\$250 million) in Air India as part of the transaction. The enlarged Air India group will have Air India, Vistara, AirAsia India and Air India Express, and the merger of all airlines is targeted for completion by March 2024, subject to regulatory approvals.

Singapore Airlines (SIA) and Tata Sons announced Tuesday that they have agreed to merge Air India and Vistara, with SIA getting a 25.1 per cent stake in the merged entity at an investment of Rs 2,058.5 crore (\$250 million) in Air India as part of the transaction. This 25.1 per cent stake will be in an enlarged Air India group - it will have Air India, Vistara, AirAsia India and Air India Express - and the merger of all airlines is targeted for completion by March 2024, subject to regulatory approvals. The group is already in the process of merging Air India Express and AirAsia India into one entity that will provide low-cost flight options.

*For details:*

<https://indianexpress.com/article/business/aviation/tata-to-consolidate-air-india-and-vistara-8296375/>

**Mergers & Acquisitions Approval of Combination of Tanweer Infrastructure SAOC (“Acquirer”); and Sembcorp Energy India Limited (“Target”) by CCI (December 12, 2022)**

The parties to the combination are: (i) Tanweer Infrastructure SAOC (“Acquirer”); and (ii) Sembcorp Energy India Limited (“Target”). The Acquirer is a newly incorporated entity set up in the Sultanate of Oman. The Acquirer is ultimately controlled by various holding entities and individuals (collectively “Acquirer Group”). The Target is a public limited company incorporated in India. It is an independent power producer which directly owns and operates two coal fired power plants having a total installed power generation capacity of megawatt in TP Gudur Mandal, Nellore District of Andhra Pradesh, India. The Target has one wholly owned subsidiary named TPCIL Singapore Pte Ltd and does not engage in any business activities as on date (collectively “Target Group”).

The combination involves the acquisition of (i) 99.99% shareholding in SEIL by Tanweer; and the (ii) acquisition of beneficial interest in 90 shares of SEIL by the Tanweer, which will represent the remaining 0.000001% shareholding of SEIL (“Proposed Combination”). The Proposed Combination is notifiable to the Hon’ble Competition Commission of India (“Commission”) under Section 5(a) of the Competition Act, 2002.

Hon’ble Competition Commission of India held that there is no (direct or indirect) horizontal, vertical, or complementary overlap between the activities of the Acquirer Group and Target Group, in any plausible relevant market in India.

*For details:*

*<https://www.cci.gov.in/combination/orders-section31>*

# Micro, Small & Medium Enterprises

## Info Capsule Series 14

**Notification issued for MSME enterprises to continue to avail of all non-tax benefits (October 19, 2022)**

The Ministry of MSME vide S.O. 4926 (E) dated 18.10.2022 has notified that in case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category it was in before the re-classification, for a period of three years from the date of such upward change. This decision has been taken after due deliberations with MSME stakeholders and is in line with the Aatma Nirbhar Bharat Abhiyan. The Ministry of MSME, Government of India, has allowed those registered MSMEs to continue to avail of non-tax benefits for three years, instead of one year, in case of an upward graduation in their category and consequent reclassification. Non-tax benefits include benefits of various schemes of the Government, including Public Procurement Policy, Delayed Payments, etc.

*For details:*

<https://pib.gov.in/PressReleasePage.aspx?PRID=1869091>

# Ministry of New and Renewable Energy

## Info Capsule Series 14

### Scope for New and Renewable Energy (December 13, 2022)

In line with the Prime Minister's announcement at COP26, Ministry of New and Renewable Energy is working towards achieving 500 GW of installed electricity capacity from nonfossil sources by 2030, and achieving Net Zero by 2070. A total of 172.72 GW capacity from non-fossil fuel based energy resources has been installed in the country as on 31.10.2022. This includes 119.09 GW Renewable Energy, 46.85 GW Large Hydro and 6.78 GW Nuclear Power capacity. This constitutes a share of 42.26% of total installed generation capacity in the country i.e. 408.71 GW as on 31.10.2022. Further, Central Electricity Authority (CEA) has carried out generation expansion studies with the projected All India peak electricity demand and electrical energy requirement of 325 GW and 2256 BU respectively for the year 2029-30 (as per the draft 20th EPS projections). Study reveals that the share of RE based installed capacity (including Large Hydro) in the capacity mix is likely to increase to around 480 GW by 2029-30. The share of RE (including Large Hydro) in the generation mix of the country, which stands at around 22% as of March, 2022 is likely to increase to around 41% by 2029-30.

*For details:*

<https://pib.gov.in/PressReleasePage.aspx?PRID=1883113#:~:text=A%20total%20of%20172.72%20GW,capacity%20in%20the%20country%20i.e.>

# National Financial Reporting Authority

## Info Capsule Series 14

### Investors reward well-governed corporates : NFRA Chairperson (December 02, 2022)

Speaking at the conference on “Financial Reporting and Corporate Governance in the Corporate Sector”, Dr Ajay Bhushan Prasad Pandey, Chairperson, NFRA, said on December 02, 2022 that Sound Corporate Governance is bedrock of corporate sector that contributes to the sustainable growth and development of the Nation as whole. He further said that investors reward the well-governed corporates. Dr Pandey mentioned about a number of path breaking reforms initiated by Indian Policy Makers during last few years, both for enabling growth and development of business sector and society such as Digital Reforms like Aadhar, UPI, GST and Tax Reforms. He also mentioned about several institutional building reforms like NFRA, IBC, NCLT etc. Dr Pandey said need of the hour for the Finance Community and Directors is to take measures to prevent frauds and failure of internal financial controls such as developing Case Study of Register of Frauds. Perhaps it is time to go Back to Basics of Internal Financial Controls as not all the corporate frauds were committed by very sophisticated designs but by age old methods of fictitious sales and loans and advances, over invoicing of purchases, related party transactions and due to failure of basic internal controls. In relation to building trust and meeting stakeholders expectations, Dr Pandey mooted idea of crowdsourcing of risk related matters and matters of emphasis for auditor consideration. He also suggested consideration of UK Brydon report recommendation of publication of Directors Risk Report before the audit scope is decided by The Audit Committee which can evaluate stakeholders inputs on that Risk Report.

*For details:*

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1880491>

# Terminologies

## Info Capsule Series 14

### Advisory Opinion

A nonbinding interpretation of law given by the Court on a question of law or fact that is of public importance and referred to the Court.

### Acquittal

A jury verdict that a criminal defendant is not guilty, or the finding of a judge that the evidence is insufficient to support a conviction.

### Aroon Indicator

The Aroon indicator is a technical indicator that is used to identify trend changes in the price of an asset, as well as the strength of that trend. In essence, the indicator measures the time between highs and the time between lows over a time period. The idea is that strong uptrends will regularly see new highs, and strong downtrends will regularly see new lows. The indicator signals when this is happening, and when it isn't.

### Bank Holding Company

A bank holding company is a corporation that owns a controlling interest in one or more banks but does not itself offer banking services. Holding companies do not run the day-to-day operations of the banks they own. However, they exercise control over management and company policies. They can hire and fire managers, set and evaluate strategies, and monitor the performance of subsidiaries' businesses.

### BHD (Berhad)

BHD is a suffix for Berhad, which is used in Malaysia to identify a public limited company. Berhad, BHD, or Bhd after a company's name indicates that it is a Malaysian public limited company (PLC) while the extended suffix Sendirian Berhad (SDN BHD) denotes that it is a private limited company.

### **Carbon sequestration**

The process of capturing and storing atmospheric carbon dioxide. It is one method of reducing the amount of carbon dioxide in the atmosphere.

### **Carbon Tracker**

Carbon Tracker is an independent financial think tank that carries out in-depth analysis on the impact of the energy transition on capital markets and the potential investment in high-cost, carbon-intensive fossil fuels.

### **Concurring Judgment**

When one or more judges agree with the majority judgment but wish to write separate reasons for why they agree, they are said to write a concurring judgment.

### **Dim Sum Bond**

"Dim sum bond" is a slang term for bonds denominated in Chinese renminbi and issued in Hong Kong. Dim sum bonds are attractive to foreign investors who desire exposure to renminbi-denominated assets, but are restricted by China's capital controls from investing in domestic Chinese debt.

### **Energy Star**

ENERGY STAR is a program run by the U.S. Environmental Protection Agency and U.S. Department of Energy that promotes energy efficiency. The program provides information on the energy consumption of products and devices using different standardized methods

### **Environmental Justice**

It is often defined as the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies, although different organizations have their own unique definitions.

### **Fibonacci Retracement Levels**

Fibonacci retracement levels—stemming from the Fibonacci sequence—are horizontal lines that indicate where support and resistance are likely to occur. Each level is associated with a percentage. The percentage is how much of a prior move the price has retraced. The Fibonacci retracement levels are 23.6%, 38.2%, 61.8%, and 78.6%. While not officially a Fibonacci ratio, 50% is also used.

### **Finfluencer**

A finfluencer, as a financial influencer is usually called is one who gives the ordinary investor information and advice on an array of financial topics such as stock market trading, personal finance and mutual funds. Their social media of choice is YouTube, where they post videos, mostly in Hindi or a regional language.

### **Fixed Income Clearing Corporation (FICC)**

The term Fixed Income Clearing Corporation (FICC) refers to a regulatory clearing agency that deals with the confirmation, settlement, and delivery of fixed-income assets in the U.S. The agency was established in 2003 as a subsidiary of the Depository Trust & Clearing Corporation (DTCC). It ensures the systematic and efficient settlement and clearing of U.S. government securities and mortgage-backed security (MBS) transactions in the market.

### **Helicopter Drop**

A helicopter drop refers to a term first coined by Milton Friedman as a rhetorical device intended to abstract away the effects of any monetary policy transmission mechanisms in a thought experiment regarding the addition of cash to the bank accounts of all citizens—as if dropped from a helicopter overnight

### **Hubbert's Peak Theory**

Hubbert's peak theory is the idea that because oil production is a non-renewable resource, global crude oil production will eventually peak and then go into terminal decline following a roughly bell-shaped curve. Although this model can be applied to many resources, it was developed specifically for oil production.

### **Hysteresis**

Hysteresis in the field of economics refers to an event in the economy that persists even after the factors that led to that event have been removed or otherwise run their course. Hysteresis often occurs following extreme or prolonged economic events such as an economic crash or recession. After a recession, for example, the unemployment rate may continue to increase despite growth in the economy and the technical end of the recession.

### **Ichimoku Cloud**

The Ichimoku Cloud is a collection of technical indicators that show support and resistance levels, as well as momentum and trend direction. It does this by taking multiple averages and plotting them on a chart. It also uses these figures to compute a "cloud" that attempts to forecast where the price may find support or resistance in

### **Legal Monopoly**

A legal monopoly refers to a company that is operating as a monopoly under a government mandate. A legal monopoly offers a specific product or service at a regulated price. It can either be independently run and government regulated, or both government run and government regulated. A legal monopoly is also known as a "statutory monopoly."

### **Marginal Standing Facility (MSF)**

A facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank by dipping into their Statutory Liquidity Ratio (SLR) portfolio up to a limit at a penal rate of interest. This provides a safety valve against unanticipated liquidity shocks to the banking system

### **Merge Arbitrage**

Merger arbitrage, often considered a hedge fund strategy, involves simultaneously purchasing and selling the respective stock of two merging companies to create "riskless" profits. Because there is the uncertainty of the deal being completed, the stock price of the target company typically sells at a price below the acquisition price. A merger arbitrageur will review the probability of a merger not closing on time or at all and will then purchase the stock before the acquisition, expecting to make a profit when the merger or acquisition completes.

### **Nationally Determined Contributions (NDCs)**

Nationally determined contributions (NDCs) are at the heart of the Paris Agreement and the achievement of its long-term goals. NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change.

### **Official Action Indicated**

Official Action Indicated, means approvals of pending applications or supplements from this site maybe withheld. The USFDA has stated that this facility may be subject to regulatory or administrative action and that it may withhold approval of any pending applications or supplements in which this facility is listed.

### **PACTA**

It means the Paris Agreement Capital Transition Assessment, a tool developed by 2DII to allow investors and financial institutions to assess the extent to which their portfolios' attributable GHG emissions are aligned with certain climate scenarios and allow such institutions to stress test their portfolios.

### **Producer Price Index (PPI)**

The Producer Price Index (PPI) measures the average change over time in the prices domestic producers receive for their output. It is a measure of inflation at the wholesale level that is compiled from thousands of indexes measuring producer prices by industry and product category. The index is published monthly by the U.S. Bureau of Labor Statistics (BLS). The PPI is different from the consumer price index (CPI), which measures the changes in the price of goods and services paid by consumers.

### **R-Factor**

It is the short form for "Responsibility-Factor", which a transparent ESG is scoring system developed by State Street Global Advisors. It measures the performance of a company's business operations and governance as it relates to financially material ESG issues being faced by the industry to which the concerned company is related to.

### **Reflexivity**

Reflexivity in economics is the theory that a feedback loop exists in which investors' perceptions affect economic fundamentals, which in turn changes investor perception. The theory of reflexivity has its roots in sociology, but in the world of economics and finance, its primary proponent is George Soros.

### **Science-based targets**

Science-based targets provide a roadmap for companies to future-proof growth by creating a roadmap of how much to reduce carbon emissions and how quickly the reduction needs to happen.

### **Scope II emissions**

Scope II emissions are greenhouse gas emissions from sources that a company owns or controls, such as the generation of electricity, heat, or steam purchased from a utility provider.

### **Social Return**

Social return on investment is a method for measuring non-financial value, particularly focusing around ESG factors. It measures how effectively an organization uses resources to create sustainable value.

### **Stranded Assets**

It means assets that experience premature or unanticipated devaluations, write-downs, or conversion to liabilities, or that are no longer economically viable to exploit. In the fossil fuel context, this could be used to describe resources that would not be extracted and consumed, but that would remain stranded in the ground.

### **Stranded Asset**

An asset that once produced value or profit, but no longer does due to changes such as technological advancements, market shifts, societal habits, and more.

### **Thematic investing**

Investing in companies that can be classified under a particular investment theme such as renewable energy, waste and water management, education or healthcare innovation.

### **Transition risks**

Transition risks relate to major societal and economic shifts, such as moving towards a less polluting, green economy. These paradigm shifts can have major impacts on various industries and sectors of the economy.

### **Triple bottom line**

Triple bottom line is an accounting framework with three main components: social, environmental, and financial. Companies incorporating this framework believe that, instead of a single bottom line, there are three: people, planet, profit.

### **Wide Economic Moat**

A wide economic moat is a type of sustainable competitive advantage possessed by a business that makes it difficult for rivals to wear down its market share. The term economic moat was made popular by the investor Warren Buffett and is derived from the water-filled moats that surrounded medieval castles. The wider the moat, the more difficult it would be for an invader to reach the castle.

### **Wholesale Money**

Wholesale money refers to the large sums of money lent by financial institutions in the money markets. This wholesale banking encompasses the market for tradable securities, such as Treasury bills, commercial paper, bankers' acceptances, foreign or brokered deposits, certificates of deposit, bills of exchange, repo agreements, federal funds, and short-lived mortgage and asset-backed securities.

### **28/36 Rule**

The term 28/36 rule refers to a common-sense rule used to calculate the amount of debt an individual or household should assume. According to this rule, a household should spend a maximum of 28% of its gross monthly income on total housing expenses and no more than 36% on total debt service, including housing and other debt such as car loans and credit cards. Lenders often use this rule to assess whether to extend credit to borrowers.

# Market Watch

*Info Capsule Series 14*

## Stock Market Indices

### S & P BSE Sensex

(October 19, 2022 - December 31, 2022)



# Stock Market Indices

## Nifty 50

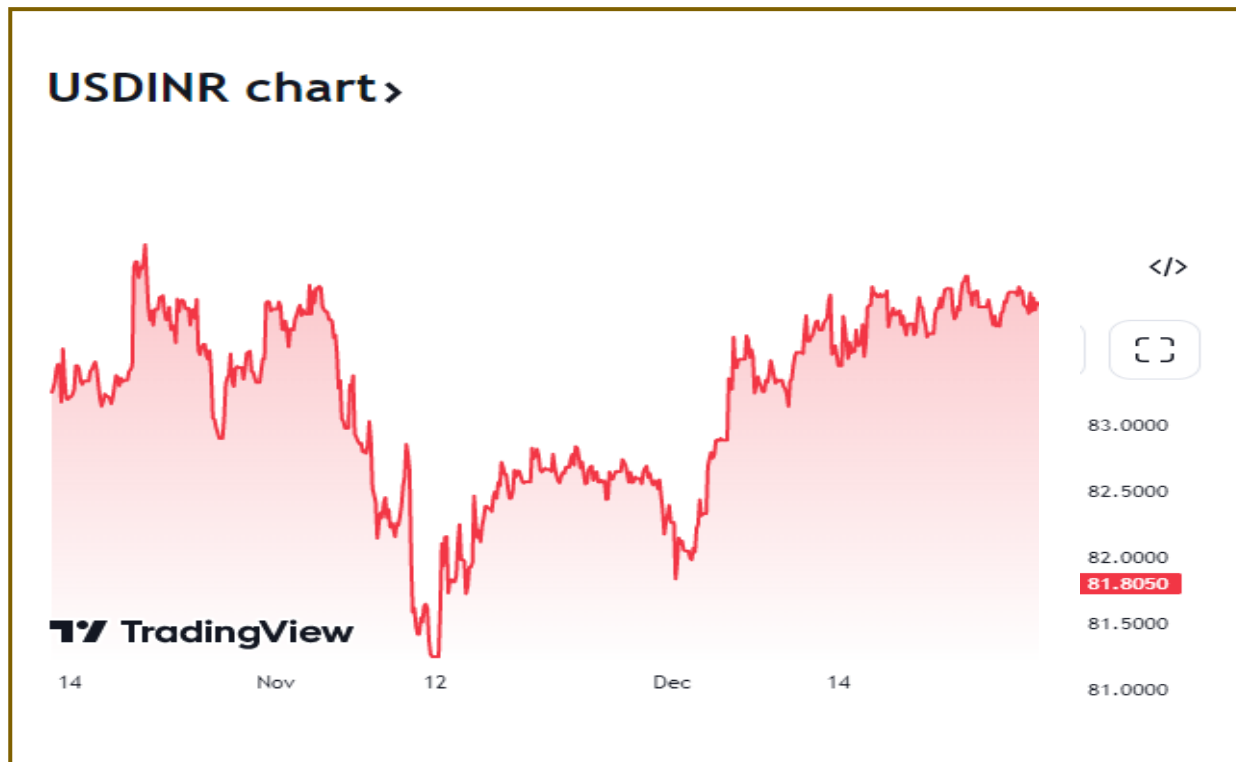
(October 19, 2022 - December 31, 2022)



# Foreign Exchange Rates

## USD

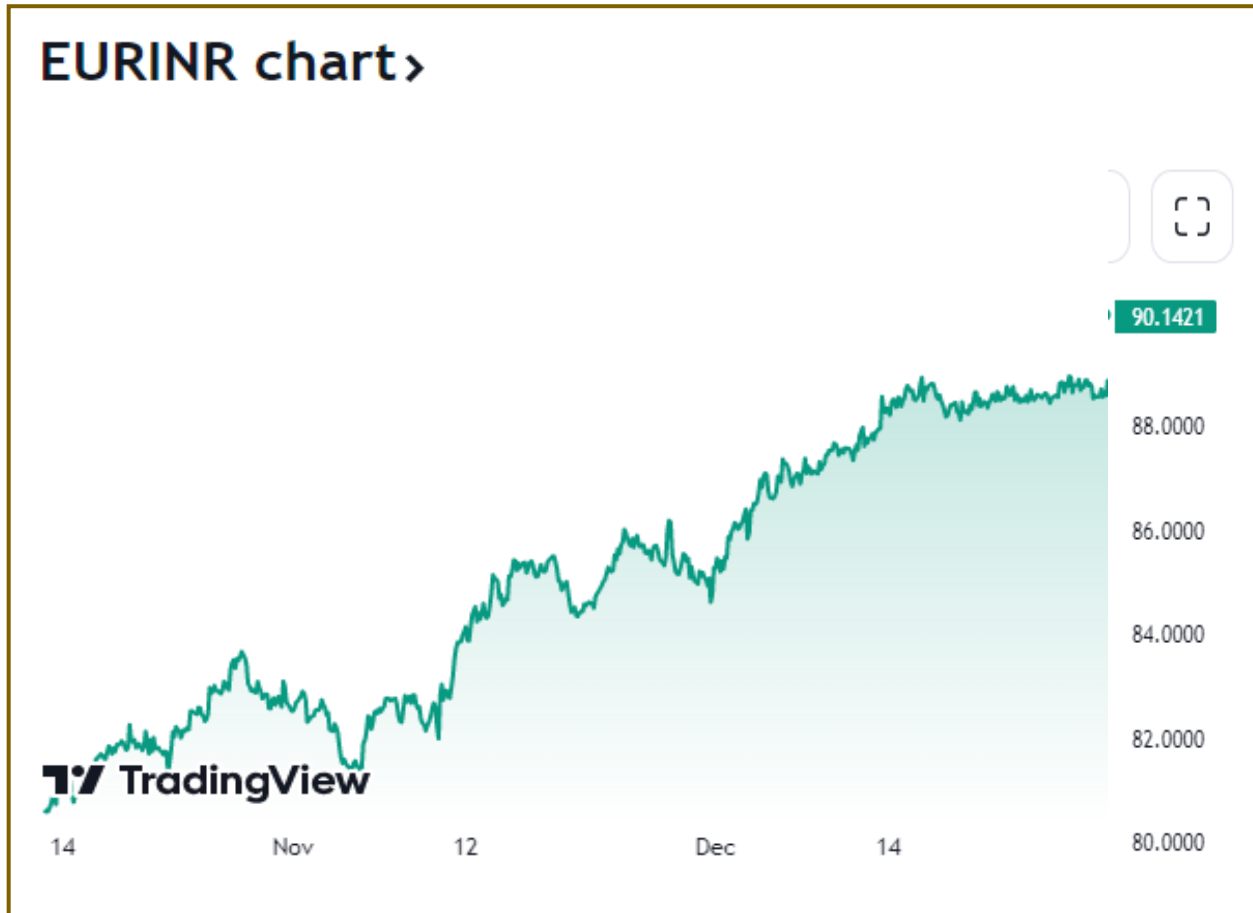
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# Foreign Exchange Rates

## EURO

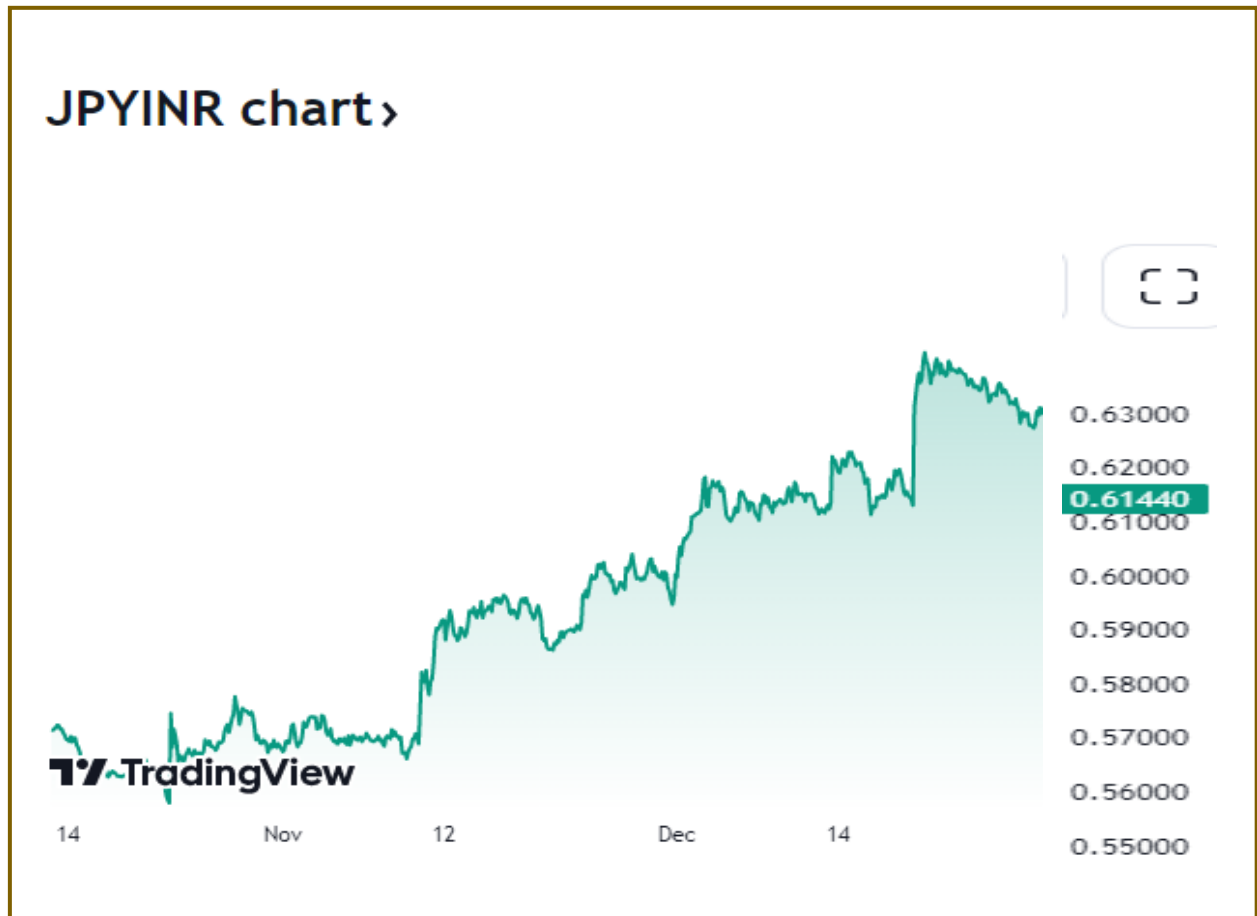
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# Foreign Exchange Rates

## JAPANESE YEN

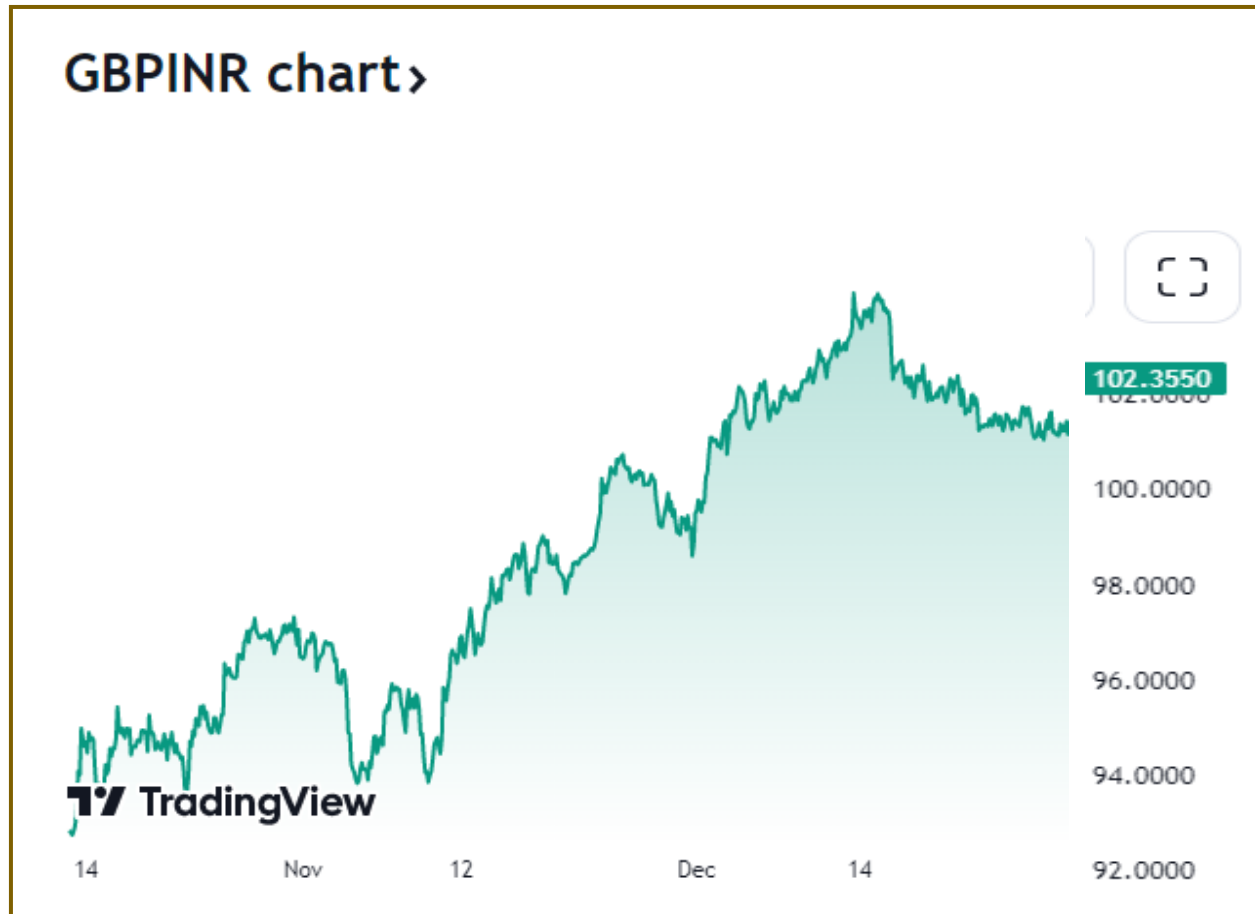
(October 19, 2022 - December 31, 2022)



# Foreign Exchange Rates

## GBP

*(October 19, 2022 - December 31, 2022)*



## Motto

सत्यं वद | धर्मं चर।

इष्टवार्ते त्वां त्रुतते. वीरवर्ते त्वां त्वां त्वां.

## Vision

"To be a global leader in promoting good corporate governance"

## Mission

"To develop high calibre professionals facilitating good corporate governance"



**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)

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